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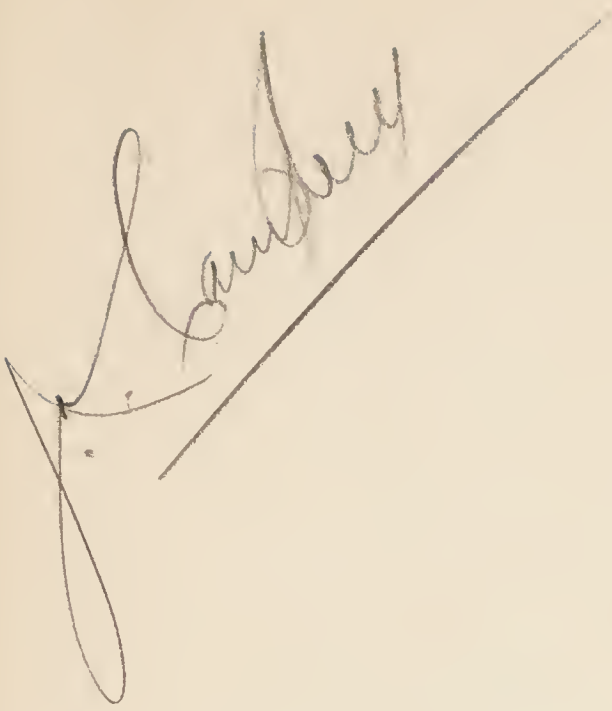

THE
CANADIAN ANNUAL REVIEW
OF PUBLIC AFFAIRS

THE

CANADIAN ANNUAL REVIEW

OF

PUBLIC AFFAIRS

(FOUNDED BY J. CASTELL HOPKINS)

1934

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PREFACE

This 33rd volume of *The Canadian Annual Review* covers the year 1934 and the preceding six months of 1933. Each of the previous issues deals with the affairs of a twelve-month period, from July 1st to June 30th. Future numbers of the series, if there should be such, will cover the calendar year previous to the year of issue.

The Canadian Annual Review, 1934, is similar in its form of treatment of national affairs to the preceding volumes. Generous summaries are given of the work of the Federal Administration and of the proceedings of the Parliamentary Session of 1934 with its legislative recovery programme of a Natural Products Marketing Act, of relief for farm indebtedness, of extension of credit to those engaged in agriculture, of unemployment relief measures, and of a central bank for Canada. In addition, sections are devoted to the institution and proceedings, to the end of 1934, of the Price Spreads and Mass Buying investigation, to the work of the Tariff Board, to the International Wheat Agreement, to the progress of the Empire Trade Agreements, to the refunding of Government loans, to the railway problem and other transportation conditions, to the operations of the Canadian Radio Broadcasting Commission, to the different phases of the unemployment question and to all branches of industry, trade and finance, generally.

In individual sections the affairs of the Provinces during the eighteen-month period are summarized. In the political sphere, these records depict the defeat of Conservative Governments in Nova Scotia, British Columbia, Ontario and Saskatchewan, and the formation of Liberal Administrations in all four, the changes in Government leadership in both Prince Edward Island and Alberta, and, in Quebec, the election of a new Conservative Leader and the appearance of two new political groups. In the economic direction *The Review* preserves the history of the Western Provinces' financial struggles and the assistance extended to them by the Dominion Government, of the growing demand for economy in the administration of Provincial affairs, and of the efforts put forward by the various Governments to balance their Budgets.

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Sincere acknowledgments are extended to our writers for their valuable contributions, to our subscribers for their continued support, to the several Government Departments, both Dominion and Provincial, for their assistance in providing official information, and to the Press, for the generous publicity accorded to each issue of *The Canadian Annual Review.*

THE EDITORS

Toronto, Canada,
March 20th, 1935

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ERRATA

Page 55, second paragraph, 4th line from the top: "A. R. Rennie" should read "A. S. Rennie."

Page 112, 5th line from the bottom of the page: "R. B. Thompson" should read "R. B. Thomson."

Page 145, third paragraph, 1st line: "H. A. Nixon" should read "H. C. Nixon."

Page 178, 1st line: "the Hon. C. H. Challies" should read "the Hon. G. H. Challies."

Page 194, third paragraph, 3rd line from the top: "Mr. Justice J. A. Makins" should read "Mr. Justice J. C. Makins."

Page 199, second paragraph, 15th line from the bottom: "Senator D. O. Lesperance" should read "Senator D. O. L'Esperance."

Page 281, third paragraph, 3rd line from the bottom: "T. G. Davis" should read "T. C. Davis."

Page 379, 12th line from the bottom of the page: "H. P. Patterson" should read "H. F. Patterson."

Page 416, second paragraph, 2nd line from the bottom: "Yukoslavia" should read "Yugoslavia."

Page 568, 3rd line from the top of the page: "in the Foster Cabinet (1917-24)" should read "in the Foster and Veniot Cabinets (1917-24)."

Page 572, 9th line from the top of the page: "Howitt, M.D., M.R.C.S., F.A.C.S.," should read "Howitt, M.D., M.R.C.S., F.A.C.S., Henry."

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

FEDERAL ADMINISTRATION AND POLITICS

The Government (Conservative) of Canada; Mr. Bennett as Prime Minister

World affairs and the demand of the people for an early escape from the economic *impasse* claimed the attention of the Prime Minister (Rt. Hon. R. B. Bennett) almost immediately after the prorogation of Parliament on May 27, 1933, and on June 2 he left Quebec City as the head of Canada's delegation to the International Monetary and Economic Conference in London which opened on June 10. From the beginning the course of the Conference bristled with difficulties arising chiefly from the divergent policies of those countries which still adhered to the gold standard and those which had abandoned it. Early in the proceedings a complete collapse was threatened, such countries as France even urging an indefinite adjournment. Because of Great Britain's reluctance to risk a permanent breach with France the task of averting a breakdown devolved largely upon the Prime Minister of Canada who was able to align the overseas Dominions solidly with the Scandinavian countries in support of the proposals of Cordell Hull, United States Secretary of State, designed to save the Conference. Eventually, too, the resolute position taken by Mr. Bennett caused the British delegation to abandon its neutrality or tacit approval of the gold bloc's stand and throw its influence behind the move to save the Conference. After delays and adjournments the nations attending produced a Silver Agreement whereby the countries with this metal resource and including Canada undertook to purchase or otherwise withhold from the world market a total of 35,000,000 fine ounces for four years commencing with the calendar year 1934. Canada's share was fixed at 1,671,802 ounces. (See debate under House of Commons proceedings).

His onerous duties in the early stages of the Conference compelled Mr. Bennett to take a respite and he spent about two weeks at Harrogate on the East coast of England after he had been instrumental in

arranging a Canadian loan of £15,000,000 in London at an advantageous rate. On his return from the East coast he plunged into the work of the World Wheat Conference which opened on Aug. 21 and over which he presided. The Quota Agreement, emerging from its discussions, limited Canada's wheat exports during the ensuing crop year to 200,000,000 bushels. Before his departure for Canada on Aug. 26 Mr. Bennett had conversations with the Rt. Hon. Walter Runciman, President of the British Board of Trade, regarding British importations of Russian lumber when he insisted upon closer observance of the provisions of the Imperial Conference Agreement between Canada and the United Kingdom, one of which bound Great Britain to a drastic curtailment of Russian imports.

After his arrival at Quebec City and on his way to Ottawa the Prime Minister visited Montreal on Aug. 31 and at a dinner arranged by the Board of Trade addressed an important gathering of business men on the results of the Monetary and Economic Conference. Without mentioning the United States Mr. Bennett warned Canadians of the peril of attempting to keep up with the Joneses, implying that the road to recovery did not point to currency inflation. He commended the Silver Agreement and the recommendation of the Monetary and Economic Conference that the minimum of currency gold coverage should be reduced to 25 per cent. He vigorously defended the Wheat Agreement which had been subjected to criticism by some Canadian newspapers and asserted that the pact concluded at London would ensure the producer a fair price, protect the consumer from exploitation and prevent huge stocks of wheat from overhanging the world market and depressing prices. "Rarely have I seen better evidence of good-will among men than prevailed in that gathering when we separated," Mr. Bennett concluded.

The Prime Minister marked his return to Ottawa the next day by closing the Eighteenth Annual Meeting of the Canadian Bar Association with a speech in which he declared that Canada was the envy of the many nations represented at the Conference at London. Although admitting that all that was hoped for had not been achieved, he maintained that the beneficial results of the world economic gathering would be far-reaching. Addressing a Directors' luncheon at the Canadian National Exhibition in Toronto on Sept. 7 Mr. Bennett said that Canadians should appreciate the fact that by reason of preferential tariffs their Dominion had free entry into the greatest single buying market in the world, the British Empire, and, referring to the World Economic Conference at London, he declared there had been a frank recognition by the other nations that the British Empire gave leadership to the world. On the same day the Prime Minister went to Newmarket where he spoke to young Conservatives attending the Conservative Summer School at Pickering College. There he denounced persistent criticism of the Canadian Radio Commission and warned that continuance of such tactics might wreck that national enterprise. He also hinted at an early statement on plans for national recovery.

Returning to the Federal Capital the Prime Minister turned his attention to unemployment relief questions and on Sept. 15 he took advantage of the presence before the Royal Commission on Banking of the heads of the various banking institutions to confer with them on such problems as the marketing of the wheat crop, the approaching Dominion conversion loan and other aspects of the credit situation. Early in the following month (Oct. 2), he caused the suspension of two prominent officials (later re-instated) in the Post Office Department, L. J. Gaboury, the Deputy, and Arthur Webster, the Secretary, in connection with transactions relating to the meetings in Ottawa of the International Committee preparing the agenda for the International Postal Congress later held in Cairo, Egypt. Two days later he took a personal interest in the threatened strike of employees of the Canadian Pacific and Canadian National Railways and as the result of discussions with representatives of the companies and of the unions he was largely instrumental in averting a serious dislocation of the transportation systems.

The Prime Minister's first trip to Western Canada after his return from the World Economic Conference was undertaken in the second week of October but just prior to his departure he launched the Conversion Loan campaign. On Oct. 9 he addressed the Students' Union of the University of Manitoba in Winnipeg and on the following day at a large gathering organized by the Board of Trade he answered Western Canada's criticism of the Wheat Agreement concluded at the London Conference. His remarks to the students on Oct. 9 took the form of a Thanksgiving message in which he said that the evidences of a slow but perceptible swing toward normal conditions not only in Canada but in the nations of the world was a cause for gratitude. At the Board of Trade meeting he opened by declaring that the NRA plan being tried in the United States was not suitable in Canada and that any government of the Dominion would be "recreant" to their duty if they launched such a scheme at that time. He warmly commended the Wheat Agreement which fixed Canada's export quota for the current crop year at 200,000,000 bushels, said he had no apology to offer for raising tariffs immediately after assuming power and asserted that his unemployment relief policy was fulfilling its purpose of seeing that no man, woman or child should be without the necessaries of life.

Proceeding westward Mr. Bennett on the following day in a speech at Saskatoon challenged the Leader of the Opposition (Rt. Hon. W. L. Mackenzie King) to make good his threat to scrap the Imperial Conference Agreements when he, Mr. King, was returned to power. "If he did that," said Mr. Bennett, "I assure you that within 15 months 50 per cent. of the industries in the Dominion would be ruined." At Edmonton the next day, the Prime Minister told a large gathering in the Auditorium that the Dominion Government had spent $122,552,000 on relief since August, 1930 and that he realized that procedure, in dealing with the unemployment problem, must be cautious, with a moderate works programme. In his

home city of Calgary on Oct. 16 Mr. Bennett pledged avoidance of the mistakes of over-development made by previous Governments and he assured his audience that the world was slowly but steadily recovering from the economic depression. To a large gathering in Lethbridge the following day he replied to critics of his Administration in these words: "To those people I can only say I have given all I had—when I need not—to serve Canada to the best of my ability. I will not imperil or wreck this country's institutions nor endanger its integrity. I will not give way to clamour, either through fear or favour." On the homeward trip Mr. Bennett called at Regina where he conferred with the Hon. J. T. M. Anderson (Prime Minister of Saskatchewan) and addressed a public meeting, again defending the Wheat Agreement and giving reasons for embarking upon a moderate public works programme as a means of unemployment relief. The following day, Oct. 20, he discussed with wheat growers in Winnipeg the terms of the World Wheat Agreement and then left for Ottawa. Shortly after his return to the capital he sent a letter to the London Ministerial Association in reply to criticism of prison administration, declaring that there was a marked improvement of conditions in the penitentiaries.

During the last months of 1933 the Prime Minister was occupied with preparations for the approaching Session of Parliament but he found time to attend some political gatherings and make another brief trip to Western Canada. The relative calm of November was disturbed by a delegation from the Canadian Labour Defence League which waited upon Mr. Bennett to protest against the prison treatment accorded to relatives of members of the delegation. Forearmed with information about the activities of some of the delegates Mr. Bennett directed his attention to one of them, A. E. Smith of Toronto, who he demanded, should be ejected from the meeting. This resulted in all the male members of the delegation leaving his room, and then the Prime Minister granted a further interview to the two female members of the group who complained of the treatment of their husbands in prison.

On Nov. 20 Mr. Bennett addressed the Canadian people over a nation-wide radio broadcast on questions of public policy. He announced that at the forthcoming Session of Parliament a public works construction programme would be submitted as a means of unemployment relief, that legislation would be presented providing for the creation of a central bank, as recommended in the Report of the MacMillan Commission, and for the revision of the Bank Act. He declared that the fears expressed before that Commission by bankers were unfounded, that the establishment of a central bank would not injuriously affect the chartered banks but would, on the other hand, enable Canada "to exercise the greatest possible measure of monetary independence." He repeated on this occasion, also, his Western statements in defence of the Wheat Agreement.

At the end of the month (Nov. 30) the Prime Minister announced the first resignation of a Cabinet colleague, the Hon. E. B.

Ryckman, Minister of National Revenue, who was compelled to relinquish his post because of a breakdown of health, which eventually proved fatal. A week later, on Dec. 6, R. C. Matthews of Toronto, was sworn into office as successor to Mr. Ryckman. During the month of December Mr. Bennett addressed two gatherings of his political supporters, one at Sherbrooke, Quebec, on Dec. 1, and another at London, Ontario, where he also spoke to the students of the University of Western Ontario and to the Ontario Commercial Travellers' Association. On Dec. 7 he gave a brief talk to the Toronto Women Teachers' Association and on the 16th was the principal speaker at the annual banquet of the Dominion Commercial Travellers' Association in Montreal.

In the first week of the new year (1934) the Prime Minister made another trip to Western Canada. At Calgary he interviewed those interested in the cattle business and two days later in Vancouver, on Jan. 9, spoke to the Women's Canadian Club and to the Board of Trade on relief questions, the Wheat Agreement and the results of the World Economic Conference. He returned directly to Ottawa where on Jan. 17 he presided over a Conference with the Provincial Governments on relief policy. Though an attempt was made by the Federal authorities to move toward a drastic curtailment of Federal contribution and its eventual abolition as a Federal responsibility it was decided to continue direct Federal relief responsibility for a few months on the existing basis.

During the 1934 Session of Parliament the Prime Minister found time in the midst of his multitudinous duties in the House of Commons to attend many functions in Ontario and Quebec but he avoided all political meetings. Just prior to the opening of Parliament, however, he addressed a gathering of the Federation of Conservative Young Canada Clubs of Ontario at London and scored what he termed the non-constructive criticism of Liberals. It had been the Liberal policy, he declared, to seize every opportunity of suspicion and unrest "to tear down and destroy." "Those who profess the Conservative faith," he added, "are responsible for this great Dominion. In times of suspicion, doubt and unrest it has been to this great Party that the people have always turned." An answer to the impatient demands for some spectacular economic move by the Government to accelerate the business recovery was given by Mr. Bennett at the 88th Annual Meeting, during the first week in February, of the Toronto Board of Trade. Thrift and work were two necessary antecedents to prosperity, he told Toronto business men on that occasion. There had been some substantial recovery, he declared. "Our monetary and financial difficulties do not give us the same concern as they did last year," he said, "although until some stability of exchange is reached there cannot be a full return to prosperity." He defended the embargo imposed upon the importation of coal, asbestos, pulpwood and manufactured furs from Russia as a necessary step toward reducing Canada's unfavourable trade balance.

Then, under the heading of "Realities," he told Montreal men at a Canadian Club luncheon on Feb. 8, that the problem of geography was one of the first that had always to be grappled with by any Federal Government in attempting to devise national remedies. Another reality was the distribution of constitutional powers between the Dominion and the nine Provinces. Still another and the most serious reality was that of the steady and heavy demands upon the Federal Treasury arising out of public ownership and operation of a great railway system. Then there was the international reality presented by Canada's National Debt and the necessity of the heavy annual interest payments to the United States on account of the public obligations. Preservation of the nation's credit was a tremendous problem confronting those in office. The country's vast natural resources were a guarantee that these obligations would continue to be met.

A few days later the Prime Minister told a delegation of the Trades and Labour Congress which waited upon him at his office in Ottawa that the Government under no circumstances would countenance the repeal of Section 98 of the Criminal Code having to do with unlawful assembly. He found time, too, on Feb. 21 to join heartily with students in a debate at Hart House in the University of Toronto, and on the last day of that month he took part in the opening at Saint John of the new deep water terminals in the Navy Island area. During March the Prime Minister attended the special Centennial meeting of the Toronto City Council and spoke to the Western Ontario branch of the Canadian Manufacturers' Association at Hamilton. In April he gave a notable message to the Ontario Educational Association at the University of Toronto and also a memorable appeal, in a radio broadcast, on behalf of the Zionist movement. On Empire Day (May 23), speaking in Montreal at the dinner of the Royal Empire Society, he eloquently pictured Canada as uniting the powers for peace. With obvious reference to occurrences in the United States he said at that function, answering the question as to whether or not civilization was worth saving, "There are so many experiments and there is so much explosive material nearby, but there is one certain bulwark, one certain force that may not be denied. If we who have lived under our system of government can develop in every part of the world a love of and regard for liberty, and if our friends to the south can be committed to a policy of maintaining the world's peace, it will endure." Similar arguments were developed by the Prime Minister in an Empire Day address broadcast the next day and which reached by radio a luncheon of the Canadian Chamber of Commerce held at London, England.

In the last week of May Mr. Bennett spoke to the League of Nations Society in Ottawa and he had an important meeting with the Rt. Hon. Stanley Bruce of Australia on matters of concern common to the two Dominions. On June 17 he received the honorary

degree of Doctor of Laws from the Rensselaer Polytechnic Institute at Troy, N.Y., and gave to the academic gathering there in a notable address his views on war and science. He pictured how destructive science had made war in these days, as compared with combat in ancient days, and what a majestic opportunity was given to science to lead the world away from war by providing other means by which the energies of nations could be directed into constructive, rather than destructive channels. Early in July he made a flying visit to Calgary to attend the opening of the "Stampede" and returned to Ottawa on July 18 to prepare for another Dominion-Provincial Conference on the vexed question of unemployment relief.

A radical departure from the policy pursued by the Dominion Government since 1930 was made by the Prime Minister of Canada when he informed the Prime Ministers of the Provinces that instead of the Dominion's being responsible for much of the expenditure of money for direct relief, thereafter, the Federal Government would hand over to each Province a lump sum to be expended by each and for which each would be held responsible. After much animated discussion this new scheme was accepted by the Provinces. The Prime Minister (Mr. Bennett) made it clear in the discussions that the primary purpose of this move was to reduce the relief outlay and this could best be done by the Provinces which had jurisdiction over the municipalities and, therefore, a more direct control than was possible under the previous plan. In the latter part of August Mr. Bennett made memorable addresses at Gaspé on the 400th Anniversary of the landing of Jacques Cartier and at Saint John on the 150th Anniversary of the founding of New Brunswick.

To represent Canada at an important meeting of the League of Nations Assembly in Geneva and to widen the scope of the new Trade Treaty between Canada and France the Prime Minister sailed from Quebec City on Sept. 1. He disembarked at Cherbourg and went to Paris where he spent a short time in preliminary discussions with the French Government regarding the trade arrangements and then proceeded to Geneva. Soon after his arrival at the Swiss city, however, he became indisposed and was obliged to take a rest. As a result some of his views on crucial issues before the League had to be presented by Dr. O. D. Skelton, Under Secretary of State for External Affairs, who had accompanied the Prime Minister. The principal matter dealt with was the admission of Russia to the League, while the question of minority rights arising out of the attitude of Poland toward League investigations and an endeavour to settle the Chaco dispute in South America also occupied the League Assembly.

Mr. Bennett presided over a technical Committee of the League which approved of the launching of an Inquiry into exchange control, quotas and other factors in international trade. He also took a prominent part in the League's move to admit Russia to member-

ship. At the conclusion of the Assembly's meeting Mr. Bennett returned to Paris where he completed the negotiations with the French Government for important extensions to the Trade Treaty. By the changes France agreed to remove the surcharges upon Canadian imports and to ease the quota restrictions on Canadian wheat. Canada, on the other hand, made concessions to France on the admission of wines and other French products. Crossing to London Mr. Bennett conferred with most of the members of the British Government and with banking and financial representatives on fiscal and monetary questions. He returned to Canada on Oct. 19.

After receiving a most cordial welcome in Montreal the Prime Minister in an interview told of the deep interest European peoples had manifested in Canada and her welfare. The next day he went to Toronto where he laid the cornerstone for the new Women's College Hospital; two days later he conferred in Ottawa with John I. McFarland on the question of handling the wheat exports and of curbing "bear" operations on the Winnipeg Grain Exchange. Because of unsatisfactory replies from many of the Provinces he announced on Nov. 5 the indefinite postponement of the proposed conference between the Dominion and the Provinces on a possible revision of the British North America Act. A patriotic appeal over a nation-wide broadcast and a memorable peace plea in a world-embracing "hook-up" were the Prime Minister's contributions on Remembrance Day.

To fill the vacancy in the Cabinet caused by the resignation of the Hon. H. H. Stevens, Minister of Trade and Commerce, over the Price Spreads investigation trouble Mr. Bennett, on Nov. 17, appointed Richard Burpee Hanson (York-Sunbury, N.B.) to that portfolio. To preserve the balance of Provincial representation in the Ministry, the Hon. Murray MacLaren (Saint John, N.B.) resigned the post of Pensions and National Health which was filled by the transfer to it of the Hon. Donald M. Sutherland, Minister of National Defence. In the latter's place was appointed Grote Stirling (Yale, B.C.) who also became acting Minister of Fisheries. Mr. Stirling's inclusion restored the British Columbia representation lost with Mr. Stevens' departure.

The Prime Minister left Ottawa on Nov. 20 for a private visit to his home city of Calgary and was absent from the Capital for a little more than a week. On Dec. 5 he visited Brockville, Ontario, and addressed the Eastern Ontario Conservative Association, announcing that he would seek re-election, that he had no intention of resigning the leadership of the Conservative Party but would lead the Government forces in the approaching General Election. He was accorded an enthusiastic reception, spoke at length on the beneficial results of the Empire Trade Agreements negotiated at Ottawa in July, 1932, and indicated that the trade policies of the Government would occupy a prominent place during the next election campaign. He stated that he was prepared to make a fair and

equitable trade agreement with the United States, but was not so anxious for a bargain with any country that he was ready to give his own country away. He announced that the Government would implement the recommendations of the Price Spreads and Mass Buying Commission by enacting legislation which was in the competence of the Federal Parliament. Then, on Dec. 10, the Prime Minister visited Halifax and formally opened a magnificent new pier, known as Pier "B." He was accompanied by the Hon. Edgar N. Rhodes, Minister of Finance, and the Hon. Alfred Duranleau, Minister of Marine. Addressing a large public gathering the same evening, Mr. Bennett defended the record of the Government and announced that legislation providing for unemployment insurance would be introduced at the 1935 Session of Parliament. He described the difficulties which had confronted the Government since he assumed office in 1930, alluded to the legacies left by his predecessors in office and to the emergency caused by Great Britain's going off the gold standard. The Ottawa Agreements for the expansion of trade within the British Empire were dealt with and he also referred to the nation's railway burden. On Dec. 13 he visited Toronto where he was the guest of honour at a dinner marking the 60th Anniversary of the National Club at which Brig.-Gen. C. H. Mitchell presided. On the following day the Conservative Leader was the principal speaker at the annual banquet in Toronto of the Commercial Travellers' Association of Ontario, when he hinted at forthcoming legislative enactments for the control and regulation of business in Canada, the prevention of unethical trade practices and the like. This theme was developed by Mr. Bennett on Dec. 15 at Montreal when he and the Hon. L. A. Taschereau were the outstanding speakers at the annual dinner of the Dominion Commercial Travellers' Association. Both favoured the maintenance of a sane and regulated capitalistic system and proper regulation of business and industrial practices as essentials of a prosperous and happy state.

The topic was pursued on Dec. 18 when Mr. Bennett told the Women's Conservative Club of Ottawa that "the day of the robber barons is over" and definitely forecast Federal Parliamentary action to curb abuses in Canadian industries, commercial and financial institutions. "The policy of *laissez faire,*" he said, "is no longer sufficient." Alluding to revelations before the Commission on Price Spreads and Mass Buying, he announced that his Ministry would "take such action as is within its competence" to correct the evils disclosed.

Mr. Bennett spent the Christmas season at Sackville in his native Province of New Brunswick, where he was the guest of his brother, Captain Ronald Bennett, and Mrs. Bennett. He issued a Christmas message in which he looked back with satisfaction and thanksgiving upon eighteen months of continuous business and economic progress and declared "the notable improvement of conditions within Canada has aroused Canadians to a renewed appreciation of the immensity of their national heritage."

At the year-end the Prime Minister announced the appointment of J. Earl Lawson, Conservative Member of Parliament for West York, as Federal organizer of the Party in the forthcoming General Election. It was also announced that Mr. Bennett would deliver to the Canadian people five speeches over a trans-Canada chain of radio broadcasting stations. In these addresses, it was stated, the Prime Minister would come out boldly as a reformer, heralding a comprehensive programme of reform legislation with respect to Government control and regulation of Canadian business, the enactment of laws providing for unemployment insurance, uniform minimum wages and maximum working hours throughout Canada, reorganization of the Federal Civil Service, establishment of an Economic Council of Canada for the purpose of collating economic data, amendment of the Companies Act for the protection of investors, and legislation to prevent the exploitation of consumers and producers. In a New Year's message he said that the Canadian people for five years had resisted the furious onslaught of adversity and had endured suffering and hardships with great patience and fortitude. "The depression," he added, "has failed to overcome you. It has been checked. Now let us put an end to it."

During the several absences from the Federal capital of Mr. Bennett, the duties of the Prime Minister's office were capably discharged by the Rt. Hon. Sir George H. Perley, G.C.M.G., Minister without Portfolio.

Dominion-Provincial Conferences, 1934. Members of the Federal Cabinet and the Prime Ministers and other leading members of the Provincial Governments met in Ottawa on Jan. 17, 18 and 19, 1934, to consider the financial position of some of the Western Provinces and to reach an understanding about the relief of unemployment and kindred matters arising out of the economic depression. The Provincial Prime Ministers gave an account of conditions prevailing in their respective Provinces, spoke of the shrinkage in revenues due to the collapse of commodity prices and submitted proposals to cope with the grave problems which confronted them. The Dominion Prime Minister (Mr. Bennett) outlined the financial problems of the Federal Government; urged stern economies in Provincial expenditures to help maintain the financial integrity of the nation; and announced that the Dominion would continue to assist the Provinces with respect to relief for drought-stricken farmers and unemployed persons. When the Conference adjourned on Jan. 19, it was announced that the following recommendations on unemployment and relief measures for 1934 had been accepted:

"1. That until such time as the large numbers of unemployed throughout Canada have been substantially absorbed, either by improved industrial employment or by public works, Federal assistance to the Provinces should be continued on the basis of the Provinces' dealing with present economic conditions by the distribution of direct relief as provided in the existing Agreements between the Dominion and the Provinces.

"2. That the Government of Canada should co-operate with such Provinces as will organize Commissions to administer relief funds, under such conditions as may be agreed upon.

"3. That the time has arrived when a programme of municipal and public works should be undertaken to absorb as large a proportion of the unemployed as possible, and that any such works should be commenced early in

the Spring in order to be effective in limiting the demand for direct relief in the following Winter.

"4. That the various Provinces represented at the Conference have no objection to the Federal Government giving special consideration to Provinces where conditions warrant.

"5. That the existing Agreements providing for land settlement be altered to permit of a further expenditure of not more than One Hundred ($100.00) Dollars per family to provide for additional subsistence during the third year of settlement."

The official statement concluded with the following:

"Other subjects on the agenda were discussed but without formal action by way of resolution of the Conference.

"On the matter of agricultural short-term credits, introduced by Alberta and Saskatchewan, an exchange of views took place. The subject is receiving the consideration of Dominion and Provincial authorities, as recommended by the Royal Commission on Banking and Currency, with a view to the formulation of a practicable measure to fill this need.

"The question of the authorization of lotteries for charitable purposes, raised by Quebec, involves the provisions of the Criminal Code which is a matter under the jurisdiction of the Dominion Parliament. It was stated that the question is one which, so far as the Dominion Government is concerned, might be freely discussed in Parliament without adherence to Party lines."

Early in August, 1934, the Prime Minister (Mr. Bennett) called another Conference of Federal and Provincial statesmen with respect to unemployment and farm relief problems with the purpose of curtailing Federal expenditures on account of unemployment relief, which had been mounting rapidly throughout the country. After a general exchange of views in plenary session, the Dominion Prime Minister, the Minister of Finance (Hon. E. N. Rhodes) and the Minister of Labour (Hon. Wesley A. Gordon) met the Provincial delegations separately and negotiated with them new Agreements effective until Mar. 31, 1935, whereby the Dominion Government made grants-in-aid of the Provinces to enable them to provide for distress among the unemployed and drought-stricken farmers. Broadly speaking, the effect of these new Agreements was to reduce Federal expenditures by, roughly, twenty per cent. The old Agreement had provided that the Dominion would contribute to the Provinces one-third of the cost of unemployment relief, the other two-thirds being furnished by the Provinces and the municipalities. At the end of 1934 it was estimated that since the depression started, more than four years previously, the Dominion exchequer had paid out on account of relief to the unemployed and to Western farmers, stricken by successive crop failures, about $150,000,000. Details with respect to these matters are to be found in the Budget address of the Hon. E. N. Rhodes, which is fully recorded elsewhere in this volume.

The B.N.A. Act Revision. Proposed revision of the British North America Act, the Constitution of Canada, became a live topic during 1934. Speaking in the House of Commons on Apr. 11, the Prime Minister (Mr. Bennett) definitely heralded proposals for a recasting of the Constitution under which the Provinces would relinquish to Federal authority their jurisdiction with respect to social problems connected with industry, old age, illness, hours and conditions for work, minimum wages and the like. Two days later he intimated to the House that "political factors" might be an obstacle to the amendment of the British North America Act. In guarded manner, he alluded to possible difficulties with respect to the Province of Quebec. Similar views had been expressed by the Rt. Hon. Arthur Meighen, Government Leader in the Senate, who said that the British North America Act had been suitable for the "horse and buggy period" following Confederation but was not suited for the vastly different business conditions prevailing

in Canada "to-day." Some of the Provincial Prime Ministers intimated to Mr. Bennett that they would be in favour of a conference with respect to a possible re-allocation of the powers conferred by the British North America Act and on Aug. 31, 1934, Mr. Bennett addressed to each of the Provincial Prime Ministers the following letter:

Ottawa, August 31, 1934.

"Dear Mr.....

"As I indicated at the meeting with the Provincial Premiers in July last, it is my purpose to call a conference of representatives of the Governments of all the Provinces to meet at Ottawa before the end of the year to discuss with the Federal Government the following questions and such other matters as may be placed upon the agenda after I have been advised of the views of the Premiers of the several Provinces.

"1. What steps can be taken to reduce the evils of duplicate taxation and provide a more logical allocation of sources of revenue now available to Dominion and Provinces?

"2. Are the Provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such social problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, etc., to the Dominion Parliament? If so, on what terms and conditions?

"3. Is it desirable to endeavour more clearly to define the respective jurisdiction of the Dominion Parliament and Provincial Legislatures with respect to health and agriculture and other matters in which there is a duplication of effort by Federal and Provincial authorities?

"4. Consideration of the extent to which there may be more complete co-ordination of the effort of Federal and Provincial authorities with respect to research work.

"5. Consideration of the extent to which there may be more complete co-ordination of the effort of Federal and Provincial authorities with respect to gathering and publication of statistical information and what steps, if any, should be taken to secure uniformity and complete accuracy of Canadian statistics.

"6. In the event of its being determined that the legislative jurisdiction of the Dominion Parliament and Provincial Legislatures as at present defined by the British North America Act should be modified, a determination of the form in which the Amendments to the British North America Act should be made.

"It has become necessary for me to attend the Assembly of the League of Nations and I am leaving to-morrow. May I hope that within the next few weeks you may be able to consider carefully the matters to which I have referred, and that on my return there will be awaiting me a reply from you indicating whether or not you think other questions should be considered at the conference, and if so, what questions, and indicating when would be the most convenient date for you to attend a conference; also such criticisms as you may think pertinent with respect to the questions which I propose to place upon the agenda.

Yours faithfully,

"R. B. Bennett."

Several of the Provincial Prime Ministers responded, signifying their intention of going to Ottawa in November to attend the proposed conference, but two or three were lukewarm, if not hostile, and the result was that after his return from Europe in November Mr. Bennett announced indefinite postponement of the proposed conference. *The Gazette,* Montreal, on Sept. 15 published an editorial which summarized the views of opponents of changes in the Constitution. It said the Provinces would be asked to transfer to the Dominion a number of important legislative responsibilities which were ex-

clusively theirs and that with these responsibilities were bound up a number of outstanding Provincial rights which some of the Provinces would be unwilling to surrender. "The bait with which the Dominion is angling is a tempting one under present conditions when every Province of the Dominion is more or less hard up financially and some of them are in very serious straits," *The Gazette* said. It commended the idea of eliminating duplicate taxation but with respect to the Provinces surrendering their exclusive jurisdiction over legislation dealing with social problems, old age pensions, unemployment and social insurance, work and wages, *The Gazette* observed that the prospect of being unburdened of the cost was "an alluring one to some of the Provinces, but there remains the awkward fact that the financial responsibilities concerned cannot be transferred without the concurrent surrender of Provincial legislative rights which the Provinces have always enjoyed and which many of them have jealously guarded. . . . It will be well for the Provinces to consider whether the monetary relief which a surrender of their existing rights would bring may be purchased at too great a price."

The Refunding of Government Loans. When the Bennett Government assumed office in 1930 it was faced with the necessity of refunding over one billion dollars of war and victory loan bonds in the ensuing four years. In addition to refunding these outstanding loans, it was necessary to raise new money for the current purposes of the Government, including unemployment and farm relief and for deficits on the Canadian National Railways. In the four years ended with December, 1934, the Government refunded at lower interest rates a total of over $1,138,486,000 of debt outstanding at the time they assumed office in August, 1930. The annual saving in interest as a result of this refunding programme totalled $14,615,847. The following is a chronological statement of the various loan operations in 1933 and 1934:—

1933

There was an issue in 1933 of 3½ per cent. six-months Treasury Bills amounting to $40,000,000 sold to the chartered banks at a cost of 3¾ per cent. $30,000,000 was sold in May, the balance in July.

An issue of $60,000,000 4 per cent. 15-months Treasury Notes was sold in New York in July to redeem under call on Aug. 1 an equivalent amount of 4 per cent. Notes issued in 1932.

An issue of $50,000,000 3⅞ per cent. one-year Treasury Bills was sold to the chartered banks at par to redeem an equivalent amount of 4½ per cent. Treasury Bills issued in August, 1932.

An issue of £15,000,000 4 per cent. Registered Stock was sold in London at par in September.

In October a domestic loan of $225,000,000 was offered in three maturities—two, six and twelve years. These were sold at a cost of 3.75 per cent., 4.19 per cent. and 4.38 per cent. respectively. The proceeds of this issue were used to redeem $169,900,000 of 5½ per cent. Victory Loan Bonds due Nov. 1, the saving in annual interest charges being $2,367,344. The $40,000,000 Treasury Bills issued in May and July were also converted into this issue.

1934

There was introduced in 1934 the sale by tender of short-term Treasury Bills. Up to November there had been three such sales, the cost being as follows:

Dated	Mar.	1, due	June	1	—	$ 2,450,000,	average cost	2.85	per cent.
"	Mar.	1, "	Nov.	1	—	12,550,000,	" "	3.12	" "
"	Apr.	18, "	July	1	—	1,600,000,	" "	2.41	" "
"	Apr.	18, "	Oct.	1	—	13,400,000,	" "	2.71	" "
"	Nov.	1, "	Feb.	1	—	1,600,000,	" "	2.35	" "
"	Nov.	1, "	May	1	—	18,400,000,	" "	2.47	" "

There was issued in London in May £10,000,000 3¼ per cent. Registered Stock at a cost of 3.48 per cent. This issue matures in 1955 with the option of being called by the Government in 1950. Part of the proceeds of this issue was used to pay off the 3½ sterling loan dated June 1, 1884, and maturing on June 1, 1934. The amount of this loan outstanding was £4,822,029, of which £2,086,776 was held in the sinking fund.

The $50,000,000 issue of 3⅞ per cent. Treasury Bills that matured on Aug. 1 was renewed at a cost of 2⅞ per cent.

In September a one-year banking credit of $50,000,000 in New York was arranged at a rate of 2 per cent. for one year. This was used to pay off part of the $60,000,000 15-months Notes that matured on Oct. 1, and were called for redemption on Sept. 1. The balance of the maturing issue was paid off in cash. The annual interest saving on that portion ($40,000,000) of this issue which had been outstanding prior to 1930 amounted to $800,000.

In October the 1934 Refunding Loan was issued to an amount of $250,000,000. The Loan was in four maturities, two, five, eight and fifteen-year, bearing coupon rates of 2 per cent., 2½ per cent., 3 per cent. and 3½ per cent. respectively. The yield rates were 2.57, 2.90, 3.43 and 3.81 per cent. respectively. Part of the proceeds of this loan were used to retire the balance of the 1918-33 Victory Loan amounting to $222,216,850. The annual saving effected as a result of the conversion of these Victory Bonds amounted to $4,655,770.

The two-year 4 per cent. Notes which matured on Nov. 1, were temporarily extended, on the same terms and conditions, to the date of the commencement of business by the Bank of Canada.

Price Spreads and Mass Buying; The Resignation of Mr. Stevens. An exhaustive investigation into Canadian business and economic conditions was launched by the House of Commons on Feb. 2, 1934, when the Prime Minister (Rt. Hon. R. B. Bennett) moved for the appointment of a Special Committee to inquire into price spreads in natural products and manufactured articles, the effect of mass buying by chain and department store organizations, labour and wage conditions and the marketing of live stock and other farm products. The origin of the investigation was a speech delivered by the Hon. H. H. Stevens, Minister of Trade and Commerce, at a Convention of retail shoe merchants at Toronto on Jan. 15, 1934. The Prime Minister's Motion was in the following terms:

"That a Select Special Committee of eleven Members of the House be appointed to inquire into and investigate the causes of the large spread between the prices received for commodities by the producer thereof, and the price paid by the consumers therefor; the system of distribution in Canada of farm and other natural products, as well as manufactured products, and, without restricting the generality of the foregoing, more particularly to inquire into and investigate,—

"(*a*) the effect of mass buying by department and chain store organizations upon the regular retail trade of the country, as well as upon the business of manufacturers and producers;

"(*b*) the labour conditions prevailing in industries supplying the requirements of such department and chain store organizations, and the extent, if any, to which existing conditions have been brought about by the purchasing practices of such organizations, and the effect thereof upon the standard of living amongst those employed in such industries and organizations;

"(*c*) the relation between the flour milling industry and the bakeries of the country, and the effect of such relations upon the baking industry of Canada;

"(*d*) the methods and system prevailing in the marketing of live stock and animal products for domestic consumption and export, and the

extent to which the present system affords or restricts opportunity for fair returns to producers."

The Hon. H. H. Stevens was named as Chairman of the Select Committee and with him were associated the following Members of the House: W. W. Kennedy, Winnipeg; J. L. Baribeau, Champlain; Thomas Bell, Saint John; Mark Senn, Haldimand and Alex. M. Edwards, Waterloo South (Conservatives); Samuel Factor, Toronto; E. J. Young, Weyburn; James L. Ilsley, Hants-Kings; O. L. Boulanger, Bellechasse (Liberals); and D. M. Kennedy, Peace River (United Farmer).

Tremendous public interest was displayed in the proceedings of the Committee from the outset. The hearings were attended almost daily for weeks by Members of the Commons and the Senate, representatives of large merchandising and manufacturing concerns, primary producers and the general public. Throughout the 1934 Session of Parliament the Committee sat steadily, hearing evidence and submissions with respect to the following: the marketing of live stock and meat products; the tobacco industry of Canada, with special attention to the prices paid to growers, the business policies, trading practices and profits of the manufacturers; the fruit and vegetable growing and canning industry; the widespread activities of departmental and chain store organizations, with particular attention to the effects of mass buying; the clothing and textile industries; so-called sweatshops; minimum wages and hours of labour; the rubber industry and the system of distributing manufactured products, such as rubber footwear and automobile tires; 5, 10 and 15-cent stores; the standard of living of Canadian industrial workers; the fishing, flour milling and many other industries. The evidence taken was published very fully in newspapers throughout the Dominion.

Towards the end of the Session of Parliament, Mr. Stevens addressed a private meeting of a Study Club comprised of a group of two-score Conservative Members of the Commons. This speech was printed in pamphlet form, copies of which were sent to members of the Study Club and to several newspaper editors. The pamphlet, purporting to give an account of the results thus far accomplished by the Price Spreads Committee, together with observations of Mr. Stevens with respect to the evidence submitted to the Committee, became celebrated. Before any reference to it actually had been made in the daily Press, representations concerning it were made to the Prime Minister by the president of one of the companies whose affairs were discussed in the pamphlet, the claim being made that the statements of Mr. Stevens were at variance with the facts. That was on Aug. 3. Mr. Bennett immediately sent for a copy of the pamphlet and decided the entire issue should be suppressed. Newspapers which had received copies were requested to withhold publication and did so. In the meantime, Mr. Stevens was on a westbound train for Vancouver. The Prime Minister telephoned him at Winnipeg the following morning and appeared satisfied with the explanation of his Minister that the pamphlet was intended for private circulation among members of the Conservative Study Club. Reports of a clash between the Government Leader and Mr. Stevens appeared in the daily Press. These were contradicted both by the Prime Minister and the Minister of Trade and Commerce. Mr. Bennett decided no action would be taken until Mr. Stevens returned to Ottawa, as he himself was preparing to leave for Geneva to represent Canada at the League of Nations. Meanwhile the text of the now-celebrated pamphlet was published by *The Winnipeg Free Press*, Aug. 7. On Oct. 25, several days after the Prime Minister returned to Ottawa from Geneva and London, a meeting of the Federal Cabinet was held at which Mr. Bennett and some of his colleagues questioned Mr. Stevens about alleged mis-statements in the pamphlet and suggested that the Chairman of the Price Spreads investigation should make some public explanation and appropriate correction at the first sitting of his Board, which had been changed to a Commission under the Inquiries Act at the prorogation of Parliament. The following day, Oct. 26, Mr. Stevens tendered to the Prime Minister his resignation as Chairman of the Price Spreads and Mass Buying Commission and as Minister of Trade and Commerce, which was accepted the following day.

Mr. Stevens, however, did not resign as a member of the Commission but continued to sit on that body.

The correspondence exchanged between him and the Prime Minister was immediately made public and it was revealed that Mr. Stevens had previously tendered his resignation after his Toronto speech in January, concerning which the Prime Minister had been critical. At Mr. Bennett's request, however, the first letter of resignation was withheld. In his letter of Oct. 26 Mr. Stevens denied he had pre-judged the case against business interests appearing before the Price Spreads Committee or that he had done them any injustice. But he recognized that he could not continue as Chairman of the Commission without the whole-hearted support of the Government. The Prime Minister's reply, accepting the resignation, was moderately worded and obviously designed to keep Mr. Stevens in the Conservative Party. He maintained that Mr. Stevens's conduct in publishing the pamphlet was contrary to every principle of British governmental practice and declared that many statements contained in the pamphlet were untrue in whole or in part. He held that it was fundamentally unsound for the Chairman of a Royal Commission to discuss publicly the proceedings before the evidence had been completed or the report thereon made. Mr. Bennett also said that Members of the Cabinet were unanimously of the opinion that in view of the inaccurate statements made in the Stevens's pamphlet it was desirable that the author should make appropriate correction and express regret for any injury that mis-statements had caused the reputation of any individual or business. To this Mr. Stevens made a scorching rejoinder on Oct. 30, challenging the accuracy of some of the Prime Minister's allegations and contending that he was being thwarted in his efforts to remedy abuses in the economic system by reactionary Members of the Cabinet. He denied the truth of Mr. Bennett's statement that he had enjoyed the full support of his colleagues. He declared that almost daily in Cabinet Council he had been subjected to irritating criticism, that he had been accused of treating witnesses before the Commission harshly and that one of the senior Ministers had constantly asked "What can you do about it, anyway?" He said he would have been prepared to make amends for any injustice done, but to have acted on the suggestion about apologizing to parties injured by his pamphlet would have effectively destroyed his usefulness in the task he had set himself and would have been tantamount to complete capitulation to those interests whose business practices were, in his opinion, responsible for untold suffering among the agricultural and industrial population of the Dominion. This letter was briefly acknowledged by the Prime Minister who said Mr. Stevens's account of what had transpired in the Cabinet did not coincide with the recollections of the Prime Minister and other Members of the Cabinet. The correspondence then closed.

The Price Spreads Commission resumed its sittings on Oct. 29 with W. W. Kennedy, K.C., M.P., of Winnipeg as Chairman. Mr. Kennedy announced that the conduct of the Commission would be governed by the Inquiries Act and that persons or companies against whom charges were made would be permitted to have counsel. This privilege previously had been denied by the Select Committee of the House.

Following his resignation from the Cabinet Mr. Stevens expected to remain a supporter of the Bennett Government and a member of the Conservative Party. He was given the room formerly occupied by the Hon. Robert Rogers in the Parliament Buildings. Greatly in demand as a speaker at public gatherings, he addressed meetings in Toronto, Ottawa and Montreal within a few weeks after he relinquished his portfolio. Addressing the Junior Board of Trade of Ottawa on Nov. 19, 1934, Mr. Stevens said that within the next two or three years the Dominion could absorb unemployed labour by an economically sound construction policy which would involve the expenditure of a billion dollars. He said Canada was not bankrupt and suggested calling a conference of bankers, loan and mortgage companies and insurance companies to formulate a definite plan of national financing. Speaking on Dec. 4 at Atwater Market, Montreal, he advocated the establishment of a Federal Trade and Industries Commission charged with the administration of an

amended Combines Investigation Act, enforcement of Criminal Code provisions against false advertising, placarding and padlocking for several days stores which gave short weight, the elimination of "loss leaders" (goods sold at a loss) and definition of fair trade practices. The Hon. C. H. Cahan having indicated that constitutional difficulties prevented the proposed investigation of electric light and power rates in Montreal by a Federal body Mr. Stevens impatiently retorted the following day (Nov. 30) that the legal attitude from time immemorial had merely been an evasion of responsibility in dealing with complex matters of government. When Mr. Stevens early in December stated he would propose remedial legislation in Parliament in connection with matters investigated by the Price Spreads and Mass Buying Commission, the Prime Minister announced that the Government themselves would implement recommendations of the Commission which were within the legislative competence of the Dominion Parliament and pointed out that it would not be within the rules for a private Member to initiate legislation involving the expenditure of public money. Up to December, 1934, the cost of the Commission to the Government was estimated at $250,000.

Proceedings of the Stevens Committee. The proceedings of the Price Spreads and Mass Buying Committee which later became a Royal Commission under the Inquiries Act may be summarized as follows:

Feb. 15.—Committee organized and Norman Sommerville, K.C. of Toronto retained as counsel.

Feb. 20.—Draft agenda approved and Committee decided to inquire into minimum wage laws.

Feb. 22.—R. H. Coats, Dominion Statistician, made valuable suggestions as to scope of Inquiry.

Feb. 27.—Conditions in Toronto industries outlined by A. W. Laver, Welfare Commissioner. Richard A. Stapells, Chairman of the Ontario Minimum Wage Board, gave evidence.

Feb. 28.—Gustav Francq, Chairman of the Minimum Wage Board of Quebec, gave evidence about low wages and sweat shops in Montreal and Quebec.

Feb. 28.—Prof. H. M. Cassidy of the University of Toronto testified concerning men's clothing industry and low wages prevailing both in Ontario and Quebec. He dealt exhaustively with sweat shop conditions, cut-price tactics and under-paid girls working in clothing factories. In conclusion he proposed remedies.

Mar. 2.—J. J. Frawley of the Attorney-General's Department, Alberta, gave evidence concerning Provincial price fixing of milk; Mayor O. J. Kerr of Stratford testified concerning wages and conditions in Western Ontario furniture factories.

Mar. 7.—J. S. McLean, President of Canada Packers Limited, Toronto, was examined at great length about the marketing of live stock and meat products.

Mar. 8.—Spokesman for the Retail Merchants' Association of Ontario and the National Fair Trade Council made an all-day attack upon chain and department stores. They suggested a national control council to curb mass buying and unfair, unethical business practices.

Mar. 9.—A. E. Grassby, Winnipeg, suggested a licensing system for merchants and manufacturers and price setting agreements.

Mar. 16.—George Matthews, Secretary of the British Columbia Retail Merchants' Association, gave evidence about low wages and proposed minimum wage law.

Apr. 10.—H. P. Kennedy, Toronto live stock dealer, testified concerning conditions on Canadian live stock markets and advocated the establishment of a Live Stock Marketing Board.

Apr. 17.—Hon. D. G. McKenzie, Minister of Agriculture in Manitoba, appeared before the Committee and urged sweeping inquiry by a Dominion

Commission into the live stock industry. He was supported by the Hon. W. C. Buckle, Minister of Agriculture in Saskatchewan, and by the Hon. George Hoadley of Alberta.

Apr. 26.—Committee decided upon thorough investigation of Canadian tobacco manufacturing companies.

May 1.—Creation of Dominion Licensing Board proposed by Mark Bredin, Toronto baker, and other bakers, to eliminate unfair practices.

May 3.—Investigation into tobacco industry commenced with Gray Miller, President of the Imperial Tobacco Company of Canada, on the witness stand. This phase of the Inquiry continued for more than a week and covered prices paid to tobacco growers, profits of the manufacturer, dividends, wages and other relevant matters.

May 11.—Walter M. Stewart, President of the W. C. Macdonald Tobacco Company, Montreal, made serious charges about a Budget leak concerning excise reductions on tobacco. He implicated three Cabinet Ministers, but later apologised and withdrew his allegations which proved to be without foundation.

May 15.—Independent tobacco manufacturers, L. O. Grothe, Limited, and others in Quebec made serious complaints about unfair competition of the Imperial Tobacco Company of Canada respecting the retailing of tobacco. These were denied on May 16 by the Imperial Tobacco Company.

May 17.—M. M. Robinson of Hamilton gave evidence about relations of fruit and vegetable growers with Canadian canning companies and chain stores. He also made charges that fertilizer manufacturers had combined to fix uniform prices.

May 22.—Investigation of Canadian rubber manufacturing companies was commenced and continued for several days.

May 30.—Evidence was given by Committee's auditors concerning profits of meat packing concerns.

June 4.—R. Percy Sparks speaking for the Canadian Pharmaceutical Association advocated appointment of a Federal Board of trade and commerce to regulate domestic trade and price maintenance. He gave evidence about drug stores.

June 6.—The Committee commenced hearing evidence about Simpson's Limited, Toronto department store, following which the T. Eaton Co. was the subject of inquiry lasting several days.

June 19.—Inquiry commenced into the Hudson's Bay Company Department Store.

June 20.—Details were heard of sweat shop conditions in Quebec shoe factories.

June 29.—The Hon. H. H. Stevens proposed in House of Commons that Mass Buying and Price Spreads Committee be clothed with powers of a Commission under the Inquiries Act to continue the investigation after the prorogation of Parliament. The recommendation was adopted.

Oct. 26.—The Hon. H. H. Stevens resigned as Chairman of the Commission but remained as a member of the body.

Nov. 1.—Investigation resumed with W. W. Kennedy as Chairman of the Commission which spent several days investigating the fish industry.

Nov. 12.—An inquiry into chain grocery and meat stores began and lasted for several weeks during the course of which testimony regarding short-weights in chain and independent retail stores was given by Inspector Sutherland Cuddy of the Department of Trade and Commerce who had made tests in various cities, but especially in Montreal, Toronto and Ottawa. Evidence with respect to wages, hours of labour and working conditions in chain stores was given by former employees and was refuted by the companies concerned. Finally, the operating heads of several chain stores appeared before the Commission on Dec. 10, 1934, and made important suggestions, as follows: elim-

ination of vicious price-cutting in chain stores through the intervention of a Government board empowered to investigate conditions and to stop unethical practices in the grocery trade; elimination of loss leaders—the practice of selling goods below cost, or close to it, to entice customers to the stores; a general overhauling of the Federal Weights and Measures Act; simplification of standards; standard packages, tins and containers; legislation designed to increase wages and reduce hours of labour in all grocery stores, both chain and independent; enactment of minimum wage laws respecting males.

Dec. 18.—The Commission began its investigation of the Canadian textile industry. Comprehensive reports were presented by the Commission's auditors with respect to wages, working conditions and hours of labour in the industry; the profits and capital structures of the various concerns engaged in the textile industry, and other aspects of the financial and business affairs of the companies concerned. Members of the Commission were critical about low wages prevailing in some factories, particularly in the Province of Quebec.

Dec. 20.—Affairs of Canadian Canners, Limited, the largest canning company in the British Empire, were the subject of inquiry, the Commission hearing evidence concerning profits, wages, prices paid to fruit and vegetable growers and the like. Similar information was placed on the record with respect to other Canadian canning companies and the Commission paid considerable attention to the cost of tinplate and other raw materials used in the industry. The investigation into the canning companies continued until the end of the year, 1934.

The Commission expected to conclude its labours about the end of January, 1935, and shortly thereafter to submit its recommendations to the Minister of Trade and Commerce. The Prime Minister (Mr. Bennett) announced on Dec. 5 at Brockville and subsequently, that the Government would implement the Commission's findings by the enactment of legislation within the jurisdiction of the Dominion Parliament. (If the Report of the Commission is available before going to press it will be included elsewhere in this volume.)

The Liberal Party of Canada (Opposition)

With two exceptions all of the public activities of the Leader of the Opposition (Rt. Hon. W. L. Mackenzie King), from the close of the 1933 Session up to the end of the year 1934, were of a political character. A few weeks after the prorogation of Parliament in the early Summer of 1933 Mr. King left Ottawa on July 19 for a tour of the Prairie Provinces, for a visit to his own constituency of Prince Albert, Saskatchewan, and to carry the Liberal banner into the Mackenzie By-Election campaign made necessary by the appointment of Milton Campbell, Progressive Member, to the Tariff Board. In his first Western speech, made at a banquet tendered to him in Winnipeg, Mr. King assailed the Co-Operative Commonwealth Federation, charging that that political group took advantage of the discontent and unrest of the time. Liberalism, he declared, stood like a great search-light, looking into conditions as they existed, and it laid down certain regulations which were aimed at securing true security combined with real liberty. He scored the Bennett Government for their attempt through the Wheat Agreement to restrict production in Canada, and charged that the Conservative Administration had affronted Parliament by putting the Wheat pact into effect without first submitting it to the legislators. The next day (July 22) at Rock Lake, Manitoba, the Liberal

Leader charged that a tyrannous dictatorship had been set up by the existing Government. "At the next Election," he added, "you will have three choices. You can vote for the Tory autocracy which is bad, the C.C.F. autocracy which is worse, or for the Liberal Party which, as always, will deal with the great public questions in the best interests of everyone, as decided in Parliament by the people themselves." At Virden, Manitoba, he made a strong plea for the clearing of the channels of trade, contending that markets were really the solution of the whole problem of unemployment. Addressing his electors in the Prince Albert constituency, in Northern Saskatchewan, Mr. King again roundly condemned the C.C.F. for its "Socialistic programme," and expressed the view that the wise course to pursue would be that of trying the remedies which had been found to work in the past rather than adopt drastic, untried measures which might prove injurious.

At Meath Park, in the constituency of Melfort, Saskatchewan, Mr. King spoke to a gathering of Ukrainian and French settlers. At Henribourg he predicted a Liberal victory at the next general appeal to the people. Speaking at Duck Lake he urged that the farmer and the labour elements be represented on the Commission to be named by the Prime Minister (Mr. Bennett) to inquire into banking and monetary matters; and at Rosthern he complained of the Government's delay in bringing on the By-Elections. In Alberta the Liberal chief, speaking at Wainwright, denounced the fiscal policy of the Government and again condemned the C.C.F. programme. At Edmonton he pictured a "new deal" and said: "Whatever comes of the phase through which we are now passing I am sure that the world will be richer in the belief that industry is not for the enrichment of a few but rather for the betterment of the many." Asserting that the great quest was for economic freedom Mr. King, speaking the same day at Camrose, declared that the Liberal Party strongly favoured a scheme of unemployment insurance, while at Wetaskiwin he branded the C.C.F. policies, a snare and a delusion. In Calgary, the home city of the Prime Minister (Mr. Bennett), the Liberal chief said that he was impressed with a "real revival of Liberalism" in Alberta.

Turning eastward again, Mr. King addressed a meeting at Assiniboia in the Willow Bunch riding of Southern Saskatchewan, one of the areas suffering most from the drought. He told that gathering he was persuaded that Mr. Bennett had made a great mistake in raising the Customs tariff to its existing height, while at Estevan he praised the people of the stricken areas for their bravery and optimism. His first speech in the Mackenzie By-Election fight was delivered at Wynward where he commended J. A. MacMillan, the Liberal candidate, and where he condemned again the fiscal policy of Mr. Bennett. He declared the C.C.F. programme to be impossible of application in Canada. His Western tour was concluded with a speech at Dauphin, Manitoba.

Under the guidance of the Hon. Vincent Massey, former Canadian Minister to Washington, a Liberal Summer school was opened at Port Hope, Ontario, on Sept. 4, 1933, and Mr. King's opening address, which was political but not partisan, stressed the existence of a new and deeper interest in Dominion affairs. The rôle of the expert in government, he said, was becoming increasingly important and it was now a problem to maintain useful contact between expert opinion and the views of the masses of the people. In his final message to the school he declared himself in favour of a Parliament of political groups but he feared too much emphasis was being laid in political discussions upon economics and not enough attention was being given to the humanities, and he made this remark, with obvious reference to the following which had been won by the C.C.F.: "I really fail to understand the mentality of men and women who say that the reason they are leaving the Liberal Party to join some other party or to create a new party is that the Party of Liberalism is not moving fast enough. The purpose of Liberalism was not only to step forward but also to preserve what had been acquired in the past."

Later in the year, on Oct. 15, addressing a meeting at L'Assomption, Quebec, called to honour Paul Seguin on the occasion of his 25th anniversary as a Member of the House of Commons, Mr. King condemned the high tariff policy of the Bennett Ministry and urged a reciprocal trade deal with the United States. On the same occasion he gave a message to the electors of Yamaska, where a By-Election was to be held on Oct. 23, in which he said: "Your verdict will not put the Government out of office but it will go a long way to force that Government to change their policies in a way that will help the country." Proceeding eastward the Liberal Leader went into the riding of Restigouche-Madawaska in New Brunswick where the third By-Election contest was being waged. (Polling in Mackenzie, Alta., Yamaska, Que., and in the New Brunswick constituency took place on Oct. 23). At Campbellton, N.B., Mr. King scored the Wheat Agreement for its restrictive provisions and called upon the electors to cast their votes against the Conservative fiscal policy.

At the end of the year Mr. King struck fire over the announcement of the Prime Minister that the names of a number of Canadians had been submitted for New Year's honours, and on the last day of 1933 the Liberal chief issued from Ottawa a statement in which he made stinging comment upon the proposal to restore titles in Canada. After referring to the action of the House of Commons in 1919 when a Resolution proposing the restricting of the classes upon which His Majesty might confer distinction was adopted, and to the fact that ten years later, in the Session of 1929, the House of Commons by a vote of 114 to 60 "refused even to entertain a Motion that a special committee be appointed to inquire into the question of titles with a view to considering whether the Resolution of 1919 could not be rescinded," Mr. King hotly assailed the Prime

Minister (Mr. Bennett) and concluded his statement with these words: "It is perhaps sufficient to say that selecting the present of all times to restore titles is but one more instance of how remote from realities the present Administration are in their conduct of public affairs and how far from understanding the country's real problems and needs; how remote, in fact, from any appreciation of the trend of social changes which are taking place in all quarters of the globe. In a time of world-wide distress and revolutionary tendencies in many lands, with widespread unemployment and distress in our own, the attempt to create in Canada a social order based upon titular distinctions is not only unwise and inconsiderate—it is both rash and unjust. If anything were needed to reveal further the extent to which the present Government have forfeited every right to public confidence it will surely be found in this latest act of egregious folly."

On Jan. 7 of the new year (1934) Mr. King joined with the Prime Minister and the Leader of the C.C.F. group (J. S. Woodsworth) in a non-partisan peace plea. Then, during the Parliamentary Session he went to Toronto and delivered an address to the William Lyon Mackenzie Chapter of the Daughters of the Empire in connection with the celebration of the Centenary of the founding of the City. William Lyon Mackenzie, Mr. King's grandfather, was the first Mayor elected under the City charter. In the course of his address he asserted that his grandfather had declined preferment so that he might hold to his principles of liberty.

Another By-Election contest, this time in Ontario, took Mr. King into the riding of South Oxford where a vacancy in the House of Commons had been caused by the death of the Liberal Member, Thomas M. Cayley. Speaking on behalf of the new Liberal candidate, A. S. Rennie, Mr. King at Tillsonburg on Apr. 12 warned the people against loss of their political liberty through the policies of the Bennett Government who, he charged, were affronting Parliamentary institutions and failing to consult the people on vital issues. He said that Mr. Bennett had, since 1930, spent $110,000,000 on unemployment and all that the Prime Minister had to show for this, he contended, was increased unemployment. He complained, too, that loans by banks to corporations had been guaranteed by the Government without consulting Parliament. Similar arguments were employed by Mr. King at Ingersoll on Apr. 15.

During the House of Commons debate on the Government's measure to establish a Federal Marketing Board all of the Liberals, excepting the Hon. W. R. Motherwell (former Minister of Agriculture) opposed the legislation while the C.C.F. group supported it. This linking of the C.C.F. with the Conservative Government roused the ire of Mr. King and at a meeting of the Women's Liberal Association in Toronto, he scored the move of the radical C.C.F. in voting for a restrictive measure introduced by a Conservative Government. This acquiescence of the C.C.F. in a Government Bill, he

declared, revealed a tendency toward political forms which dominated Russia, Italy and Germany, and he warned the Liberal women against the approach of a dictatorship in Canada.

With unusual vigour Mr. King entered into the "little general election" campaign in Ontario in September (1934) when the electors in five constituencies were called upon to vote on the 24th of that month. Speaking at Enterprise, in the riding of Frontenac-Addington, he branded personal attacks upon himself as "the last desperate kick of a dying Government;" he expressed favour for a reciprocal trade deal with the United States but thought it impossible with the Conservatives in power; he urged the electors to "start R. B. Bennett on his way out;" he called the Hon. H. H. Stevens, up to that time head of the Price Spread Investigating Commission, "a political hypocrite;" and he concluded with these words: "If as a result of the voting on Monday five constituencies go against Mr. Bennett he cannot properly remain in office another day."

The next day at Markham, in the constituency of North York, Mr. King declared that safety from the threat of a virtual dictatorship in Canada lay in the Liberal Party. With some heat he replied to a statement made a few days previously in Toronto by the Hon. R. J. Manion (Minister of Railways and Canals) who had said that it made no difference to the length of the Government's term how the polling in the five By-Elections resulted. "Here is a Minister," said Mr. King, "saying it does not matter what opinion the people may register in their vote. What is the difference between this statement and an utterance of Mr. Mussolini or Mr. Hitler or Mr. Lenin?" Attacking the project of a central bank the Liberal Leader said: "Do you realize that until a few weeks ago the Government of Canada issued currency and the people owned the gold in the Ottawa vaults which represented the value of the currency? And do you realize that this is all changed now with this privately-owned central bank? All the Conservative efforts are leading toward a plan of economic imperialism. So far it has been all nationalism in order to win the support of the C.C.F. and other groups. These groups know that only by dictatorship or bureaucracy can they hope to achieve their ends and they have been all ready to line up. They realize that they can never gain their desires by constitutional means. I say that anything that they want that cannot be won by British Parliamentary methods is wrong."

Going into the riding of West Elgin and addressing a campaign meeting at St. Thomas the Liberal chief made a bitter attack upon Mr. Stevens, whose suppressed pamphlet dealing with some phases of the mass-buying investigation had become a subject of live debate throughout the country. "Did you ever hear of a judge," queried Mr. King, "taking a case into his own hands before it was finished and getting off the bench to pronounce judgment for personal reasons? Did you ever hear of a judge discussing evidence in public when others concerned in the case had no chance to be heard? What

if some Liberal Member of the Committee had done that? Why, Mr. Stevens would have denounced him above all others as being guilty of unparliamentary practices. And yet Mr. Stevens talks about unethical practices. People who live in glass houses should not throw stones. Mr. Stevens says that unethical business practices are being investigated and he himself is violating ethical codes. We cannot have Parliament at all when we have such things as this occurring."

At a mass meeting in Toronto the Liberal Leader devoted much time to dealing with the C.C.F. programme. He pointed out that, in his opinion, while the Bennett Ministry led the way straight to a dictatorship of the big interests, the C.C.F. policies led as surely to class dictatorship. He outlined a new industrial "square deal" policy in which extensive social insurance would wipe out the fears which, he declared, beset the industrial worker on every hand. He again branded the Government guarantee to the banks of a $60,000,000 loan to the Canadian Pacific Railway as an affront by the Bennett Ministry to Parliament which, he declared, should have been consulted before the guarantee was given and not afterwards. He thought fear in various forms or of various things was one of the chief ailments of the body politic and, he added, it was the business of Liberalism to see that that fear was ended. Certain rules had to be observed in business as in sport, continued Mr. King. "It doesn't require Mr. Stevens or anybody else to tell us he has discovered this thing. It is a discovery for him but it isn't a discovery for anybody else. If you are going to be hoodwinked and send a Tory to Parliament who is looking after special interests or a C.C.F., who is looking for something half a century ahead, don't expect you are going to get very far ahead."

Addressing in Montreal the Federation of Liberal Women of Quebec Province three days before the end of the Ontario By-Election campaign Mr. King predicted "an overwhelming sweep of votes away from the Conservatives to the Liberals." He also urged further consideration by Liberals of a scheme of social insurance.

At the end of the week in which the By-Election results were made known Mr. King, accompanied by Hon. Ernest Lapointe (a former Minister of Justice), sailed from Quebec City on Sept. 29 for a visit to Great Britain and the Continent of Europe. In a brief announcement of his intention to cross the Atlantic Mr. King said: "Canadian affairs are increasingly bound up in world affairs and we are anxious to get first-hand information as to conditions in Britain and in Europe. It is doubtful if there will be another opportunity for some time to come for such a visit." The Liberal Leader's previous trip to Europe was in 1928 when he signed, for Canada, the Kellogg-Briand Peace Pact in Paris. After visiting most of the countries in Western Europe Mr. King returned to Canada on Nov. 23 (1934).

Back at his desk, the Liberal Leader received (Nov. 24) the Parliamentary Press Gallery and for half an hour or more talked

of the trend away from fascism and dictatorships in Europe; of the remarkable progress made toward economic recovery in the United Kingdom; of the amazement in British political circles concerning the wide powers conferred by the Parliament of Canada upon the Dominion Government in connection with "peace, order and good government;" and of the Empire Trade Agreements negotiated at Ottawa in July and August, 1932. Mr. King said he was enjoying excellent health and his appearance supported his statement that rumours about ill-health of the Liberal Leader were ridiculous. It happened that Mr. King and his chief lieutenant, the Hon. Ernest Lapointe, were in London at the same time as the Prime Minister (Mr. Bennett) and this gave rise to stories that matters of Imperial defence were being considered. The Liberal Leader denied that he had taken part in any official discussions concerning Empire defence.

On Friday, Dec. 7, 1934, it was intimated from Liberal headquarters that in the event of Mr. King's being elected to form a government in the approaching Dominion General Election, his policy in respect to Empire trade would be to increase the preferences on British Empire products in the Canadian markets and to seek a lowering of tariffs in connection with Canada's external trade generally. This was by way of reply to the speech delivered at Brockville by the Prime Minister the day before in which Mr. Bennett had recalled Liberal opposition to the Ottawa Agreements.

Empire-wide investigation into the operations of armament manufacturers was advocated by Mr. King on Dec. 12 at the Annual Meeting of the National Liberal Federation held in Ottawa. The Liberal Leader asserted Canada should take the lead in declaring definitely not only that it would give no succour to any nation that wantonly disturbed the world's peace, but that it would provide neither arms nor foodstuffs nor credits to such a nation. He believed a declaration of this kind by the Government of Canada would not only be right in itself but would win for Canada friends among all the peace-loving nations of the world. His conviction that throughout the world the most crying need was for a policy of peace had been borne in upon him during his recent visit to Europe. Mr. King also raised his voice against economic imperialism, which economic nationalism in Canada was being made to serve, he declared. The ramparts of both economic nationalism and economic imperialism must be destroyed, he said. On the following day the Liberal Leader authorized the statement that he and the Liberal Party stood for the maintenance of the integrity of the Canadian National Railways as a publicly-owned and publicly-controlled service. The position in this regard was precisely the same as it was on Feb. 27, 1933, when Mr. King stated to the House of Commons a fourteen-point programme with respect to some immediate problems before the country.

The Annual Meeting of the National Liberal Federation of Canada was held in Ottawa, Dec. 12—13, 1934, with the Hon. Vincent Massey presiding. Mr. Massey delivered his Presidential Report, which was adopted on motion of the Rt. Hon. W. L. Mackenzie King, the Dominion Liberal Opposition

Leader. Mr. King delivered an eloquent address on disarmament and world peace. On motion of the Hon. T. A. Crerar of Winnipeg, seconded by Major Charles G. Power, M.P. of Quebec, the Federation endorsed the leadership of Mr. King; resolved that the Bennett Government had forfeited the support of the people of Canada; and demanded immediate dissolution of Parliament and a general election. This resolution was in the following terms:

"Be it resolved that this National Liberal Federation, in annual meeting assembled, with representatives present from each of the nine Provinces of Canada, declares its adherence to the basic and fundamental principles of democratic institutions, that no government should remain in office which no longer enjoy the confidence of the people, and have forfeited the support of the people whom they purport to represent, and demands the immediate dissolution of Parliament and a general election."

The report of the Nomination Committee, moved by Major S. F. M. Moodie and seconded by Miss Beatrice Belcourt, naming the following officers of the Federation for the ensuing year was adopted: Honorary President: the Rt. Hon. W. L. Mackenzie King, C.M.G.; President: the Hon. Vincent Massey; Vice-Presidents: the Hon. Cairine R. Wilson and the Hon. Ernest Lapointe, K.C.; Secretary: Norman P. Lambert; and a Finance and Executive Committee composed of Albert Matthews (Chairman), the Hon. Vincent Massey, P.C., the Hon. Cairine R. Wilson, the Hon. H. H. Horsey, Pierre F. Casgrain, K.C., Madame Grant de Rouen, the Hon. Donat Raymond, the Hon. A. C. Hardy, E. G. Long, Frank P. O'Connor, Mrs. S. Tweed, and N. P. Lambert.

A discussion on policy was introduced by Major C. G. Power, M.P., who asked representatives from the different parts of the Dominion to express their views for the benefit of the Liberal Members of the House of Commons. He was followed by the Hon. Fernand Rinfret and the Hon. T. A. Crerar. Different points of view were expressed by Mme. Grant de Rouen, the Hon. Duncan Marshall, the Hon. Cairine R. Wilson, Mme. Pierre F. Casgrain, Mrs. W. C. Kennedy, Mrs. George Fulford, the Hon. Cyrus Macmillan, and the Hon. W. D. Euler. Mr. Mackenzie King concluded the discussion and drew particular attention to the existence of the Fourteen-Point Programme, known as "The Liberal Party's Position on some Immediate Problems".

The Co-operative Commonwealth Federation

The third Party group in the House of Commons, led by James S. Woodsworth, of Winnipeg, and popularly known as the C.C.F., met in convention at Regina, July 19, 1933, to perfect its organization and round out its programme in readiness for the next Dominion General Election, in which it hoped to succeed to the point where it could, by holding the balance of power, bring about a state of deadlock which would multiply its Parliamentary power and make it a factor of moment in the political developments of the future. The result of the Convention was the adoption of a radical platform and the presentation of a thirteen-point Manifesto which called for the following: establishment of a socialized economic order; socialization of all financial machinery; socialization of all industries and services essential to social planning; security of tenure for farmers and the progressive removal of farmers' debts; regulation of external trade through import and export boards; a national labour code; publicly organized health, hospital and medical services; a foreign policy designed to promote world peace and international economic co-operation; a new taxation policy designed to raise public revenues and lessen inequalities of income and provide funds for socialization of industry; constitutional amendments (including abolition of The Senate) to enable the Government to deal effectively with urgent economic problems; freedom of speech and assembly; abolition of the existing "inhuman deportation policy;" Government assumption of responsibility for unemployment and for remedying it.

A glimpse behind the scenes at the C.C.F. Regina Convention was afforded by G. V. Ferguson, one of the editors of *The Winnipeg Free Press*. Writing in that paper on July 24 he said "Socialism in our day—at least as defined by the Co-operative Commonwealth Federation in convention at Regina last week—means Socialism with a great big hole in it. The hole was left intentionally in order to allow the farmers to march into the Socialist fold. But they did not stay there long. In the words of the old song, 'they walked right in and looked around, then they walked right out again'." This he observed, did not mean that the farmers' organizations had left the C.C.F. They were still there at the end of the Convention, but it remained to be seen whether they would stay within the ranks of the C.C.F.

The Convention was described as "the most impressive Socialist assembly ever gathered in Canada." Formed only a year before at Calgary, the organization mustered delegates from all the Provinces of Canada except the Maritimes and it was intimated that this development was attained, that is, the organization of branches in East and West, with a central office expenditure of about $1,000. The new Manifesto was drawn up by a body of men known as the "C.C.F. Brain Trust." Henceforward, it was stated by Mr. Ferguson, Canadians who were striving in their own way towards the planned and socialized economy, would have behind them trained thinkers who had a power to express coherent, logical views well based on prolonged study of socialist philosophy and practice. At the head of the group stood Professor Frank H. Underhill of Toronto. All told, the group numbered forty, including six Rhodes scholars, who were the most active of all. The Regina Convention failed to come to grips with the problem of the socialization of agriculture. Signs of strife appeared and Mr. Woodsworth made an appeal to all the different groups to make concessions in order that the C.C.F. might present a united front on the hustings. This resulted in smothering the difficulties rather than ironing them out. (*The Winnipeg Free Press*, July 27). The draft Manifesto contained a forthright declaration that the C.C.F. did not believe in confiscation but would compensate former owners at fair valuation. The Convention's left wing raised a Marxist cry and the clause was sent back for redrafting. It emerged again, toned towards the left but still very much in its original form, and most of the left-wingers withdrew their objections. But the right wing decided that the time had come to declare themselves and Alfred Speakman, United Farmer M.P. for Red Deer, Sask., and Miss Agnes Macphail, United Farmer M.P. for Southeast Grey, Ont., both made hot-tempered speeches, Miss Macphail declaring that if there was any further suggestion of confiscation she would pull up stakes, get out of the C.C.F. and take the United Farmers of Ontario with her. The U.F.O. delegates became more and more uneasy as the days passed and finally announced, in the dying hours of the Convention, that they were disappointed in the wording of the Manifesto. A miniature storm blew up and W. C. Good of Paris, Ontario, a former Member of Parliament and President of the Co-operative Union, had the distinction of casting the only vote against the Manifesto. The rural delegates from Ontario were not alone in their alarm. E. J. Garland and William Irvine, United Farmer Members of Parliament from Alberta, seemed quite at home among the pukka Socialists, but others, notably Robert Gardiner, President of the United Farmers of Alberta and Leader of their group in Parliament, gave warning twice that the C.C.F. was a federation and not a party and that the U.F.A. was to be left alone to manage its affairs as it saw fit.

Comment of Canadian newspapers upon the Regina Manifesto of the C.C.F. revealed lively opposition in varying degrees of intensity to the proposals set forth. *The Gazette*, Montreal (July 21), said "Execution of Mr. Woodsworth's Socialist plan to create a New Dominion would not facilitate, but could only paralyze, the driving forces of social and economic progress. Moreover, it would involve the Provinces in an abandonment of their power and rights. These apparently would be taken over by national commis-

sions, boards of management, or whatever the C.C.F. may finally decide to call the Communistic bodies it contemplates setting up some day to govern and control the country, to administer public utilities and institutions and superintend all social enterprises." *The Globe*, Toronto, said "The dream of the Co-operative Commonwealth Federation is revealed and with it the impracticability of those who have been engaged for months seeking new inspiration from time-worn theories. . . . The C.C.F. Manifesto is nothing more or less than a 4,000-word expression of a wish without giving any explanation of how it can be attained. . . . Canadian voters, misled by the promises of a new social era on a substantial basis, should now turn their attention to something practical." *The Mail and Empire*, Toronto, said "Our own view is that the average Canadian will not swallow the Woodsworth-Philpott-Macphail bait. These self-styled leaders have never achieved anything to inspire public confidence in them." *The Ottawa Journal* referred to "the delightful day when Mr. Woodsworth is Prime Minister and Miss Macphail his Minister of Finance" and said "there will be neither capitalist nor wage slave. Farmers, artisans, bankers, editors, all will work for the Government." The overwhelming majority of newspapers, commenting upon the Regina Convention and Manifesto, were severely critical or indulged in ridicule. The Liberal Leader (Mr. Mackenzie King), speaking at Winnipeg on July 22, characterized the C.C.F. plan as "revolutionary" and declared it would destroy liberty (Canadian Press dispatch). The Hon. Robert J. Manion, Minister of Railways and Canals, speaking at St. Eustache, Quebec, on July 30 (Canadian Press dispatch) said the system which the C.C.F. Leader, Mr. Woodsworth, proposed to introduce into Canada if his Party was successful, was the system which existed under the name of Communism in Russia—"a system based upon tyranny and oppression and the outlawing of personal and religious freedom."

On Oct. 23 (1933), Lewis St. George Stubbs, the C.C.F. candidate in the Mackenzie By-Election (see Chapter on By-Elections) was badly defeated and this circumstance was widely acclaimed by the daily Press. Great significance was attached to the defeat of the colourful candidate of the Woodsworth Party, who had been a judge in Winnipeg and had been forced to resign (see *The Canadian Annual Review 1933*, page 109). The Press saw in the defeat of Mr. Stubbs a comforting indication that the Socialistic movement headed by Mr. Woodsworth had made no such progress in Western Canada as had been claimed in its behalf by the Leader and his principal disciples. On Sept. 24, 1934, Graham Spry, C.C.F. candidate in the East Toronto By-Election, and one of the leading spirits in the Socialist Party, was even more decisively defeated. At the beginning of December, 1933, the Ontario United Farmers appeared to be growing rather tired of their close relationship with the C.C.F. One hundred of the C.C.F. clubs in Ontario had voted to amend the constitution to provide that "no person who is a member of any political organization not affiliated with the C.C.F. is eligible for membership." The amendment was represented as being aimed at Communists and Communist organizations of various kinds. Bracketed with the Communists and Fascist organizations were members of the Conservative and Liberal Parties. On Nov. 21, 1933, at a meeting of the C.C.F. club at the University of Toronto, Mr. Woodsworth explained that the United Farmers of Ontario could not enter into any political activities under its existing charter and for that reason did not officially belong to the C.C.F. He thought the difficulty could be avoided by the U.F.O. operating politically under a different charter. This brought from R. H. Halbert, a former President of the U.F.O., a declaration that any move to change the constitution of the Farmers' organization would meet with strenuous opposition. Addressing the open forum of the Labour Party of Toronto on Nov. 27 Mr. Woodsworth made suggestions as to how the United Farmers might overcome the limitations of their charter by forming an auxiliary body as the Alberta United Farmers had done. He launched a bitter attack against the Press, particu-

larly of Toronto, which, he said, had fomented trouble and friction in the ranks of the C.C.F. Later in the Winter, some difficulty arose with the Canadian Labour Defence League and Mr. Woodsworth issued a statement on Feb. 26, 1934, saying the four Labour Members of the House of Commons had requested Miss Agnes Macphail, M.P., Ontario President of the C.C.F., to take immediate steps to rid the C.C.F. of individuals not in sympathy with the C.C.F. programme and not loyal to its constituted authorities. Elmore Philpott of Toronto explained there was not the slightest notion of expelling Labour as a whole from the C.C.F. Henceforth Labour would be represented by Labour leaders and not Labour wreckers.

On Sunday, Feb. 25, a pastoral letter was read in all the Catholic churches of the Archdiocese of Montreal at the instance of Monsignor Georges Gauthier Coadjutor Archbishop of Montreal, warning the Church's adherents against the C.C.F. movement as being a dangerous one, resting "upon a materialistic conception of the social order which precisely constitutes the anti-Christian character of Socialism." A week later, on Mar. 4, Mr. Woodsworth, who was a former Methodist minister, replied at a public meeting in Montreal, asking if it was a sin to belong to the C.C.F. in Montreal but not wrong for a Roman Catholic in Alberta or Saskatchewan to join the Party. He also denied there was anything Communistic about the C.C.F., declaring, as a matter of fact, that Communists regarded the C.C.F. as their bitterest enemy. Moreover, the C.C.F. guaranteed full religious liberty, autonomy and racial rights.

On Mar. 12, 1934, it was announced that the Ontario Provincial Council of the C.C.F. had been suspended by Mr. Woodsworth and that complete reorganization would be carried out. The United Farmers of Ontario was not represented at the meeting but a communication from that body announced its withdrawal as of Mar. 1. Mr. Woodsworth issued a statement in which he said each local in reorganizing "must rid itself of Communist influence." The Secretary of the U.F.O. explained that the Farmers had withdrawn because it was decided they could best serve by acting independently. The trouble which had been brewing for some months was thus brought to a head. On Mar. 30 a lively conference of the C.C.F. in Ontario was held at Toronto regarding a draft constitution submitted by Angus MacInnis, Labour Member of Parliament for Vancouver and son-in-law of Mr. Woodsworth and, eventually, the whole matter was referred to a sub-committee of ten, after much blowing-off of steam and vituperation (*The Mail and Empire*, Mar. 31, 1934). In British Columbia the C.C.F. was having trouble not unlike that which had developed in Ontario. T. Guy Sheppard, one of the leaders of the movement on Vancouver Island and an approved candidate of the Party in Victoria at the 1933 Election, openly repudiated the leadership of Rev. Robert Connell, official Opposition Leader in the Legislature, over a resolution fathered by Mr. Sheppard and condemning the actions of the British Columbia Government in connection with the Special Powers Bill (see Section: The Province of British Columbia).

The Second Annual Convention of the C.C.F. was held at Winnipeg, July 17-19, 1934, when an "immediate programme" was adopted. In this programme it was stated that "the C.C.F. stands for a complete change in our present economic system, by the establishment of a planned and socialized economy through constitutional means. In our Regina Manifesto issued in 1933 we set forth in detail the programme by which we propose to realise that end. In order to remove the poverty and insecurity now endured by the people, and to lay the foundation of the new social order a C.C.F. government will immediately proceed to enact legislation dealing with the major problems of the nation." The "immediate programme" contained four planks: Finance, Agriculture, Labour and Social Services and Peace. Under the heading of "Finance" the C.C.F. proposed socialization of all Canadian banking and financial machinery, including the central bank. Under Agriculture it proposed to protect the farmer from foreclosure or eviction under

pressure of mortgage companies and other creditors "and from exploitation by packers, millers, dairy corporations and others." It also proposed adequate credit facilities to agriculture and "to initiate immediate legislation for the control of processing and distribution of farm products, pending their being taken over by the co-operatives or by the State." Under Labour and Social Services, it proposed to "bring to an end the system which makes poverty and insecurity the prevailing condition of the workers in this land of plenty," and to inaugurate a national minimum wage, regulation of hours of labour in industry, social insurance and special training for young men and women to fit them into the reorganized national life. Under the heading of Peace, it stated that the C.C.F. was "unalterably opposed to war" and "if the great capitalist powers drift into another world war Canadian neutrality must be rigorously maintained whoever the belligerents may be." Thorough reorganization of the League of Nations to make it an effective instrument for peace was also advocated. James S. Woodsworth, M.P., was re-elected National Chairman of the C.C.F. for the third time.

Commenting on the Winnipeg Convention on July 24, 1934, *The Winnipeg Free Press* said, "In its new 'immediate programme' the C.C.F. rids itself, with pathetic diplomacy, of the Commonwealth phases of the Federation. Denuded of its Socialistic fervour it appears as a rather confused organization for the promotion of social reforms regarding whose accomplishment it is far from explicit. The new programme was inspired by the desire to reassure the average man and woman that the C.C.F. was not a dangerous radical party, and to obtain on that understanding a larger share of votes at the next general election. Votes, rather than converts, are what the C.C.F. leaders are now after."

The Mail and Empire, Toronto, (July 19) said that the C.C.F. Winnipeg Convention had registered failure and pointed to the failure of the Federation to cut much figure in election contests in Ontario, Saskatchewan, Nova Scotia, New Brunswick and Quebec.

By-Elections of 1933-1934 and the Standing of the Parties

Between the end of June, 1933, and December, 1934, nine Federal By-Elections were held, one in New Brunswick, one in Quebec, one in Saskatchewan and six in Ontario. The Liberals won eight of the nine contests, making a net gain of four seats in the House of Commons. Three of the By-Elections were held on Oct. 23, 1933, in Restigouche-Madawaska, N.B., Yamaska,, Que., and Mackenzie, Sask. The seats had been vacated by the death of Maxime D. Cormier (Con.) in Restigouche (Jan. 14, 1933); by the unseating of Aimé Boucher (Lib.) in Yamaska by judgment of the Supreme Court of Canada (Dec. 23, 1932); and by the appointment of Milton N. Campbell (Prog.) of Mackenzie, to the Federal Tariff Board. Restigouche-Madawaska elected J. E. Michaud (Lib.) with 11,958 votes, a majority of 6,460 over Paul L. Dubé (Con.), while J. L. G. Annett (Farmer-Labour) received 2,117 votes. Yamaska elected Aimé Boucher (Lib.) by a majority of 84, the vote being: Aimé Boucher, 3,901; and Paul F. Comtois (Con.), 3,817. In Mackenzie, John Angus MacMillan (Lib.) was elected by a majority of 1,614 over Lewis St. George Stubbs (C.C.F.); by a majority of 4,385 over Stanley Howard Edgar (Con.); and by 5,213 over Louis Philip McNamee (United Front candidate).

The Prime Minister (Mr. Bennett) who, according to tradition, had taken no part in the By-Election campaigns, refrained from commenting on the results. The Hon. H. H. Stevens (Minister of Trade and Commerce) remarked "it is the fortune of war," and the Hon. Alfred Duranleau (Minister of Marine) who had taken part in the Yamaska campaign, attributed defeat to the unjust tactics of Liberals in stressing the effects of the economic depression, which, he said, were world-wide and impossible of control by one

country. The Liberal Leader (Mr. Mackenzie King) argued that the Government no longer possessed the confidence of the country; the Hon. Charles Stewart, one of his leading lieutenants, acclaimed the results as "a sign of the times"; the Hon. Angus L. Macdonald, head of the Liberal Government of Nova Scotia, thought the results indicated Canada was turning toward the Liberal Party, while the Hon. Louis A. Taschereau, Liberal Prime Minister of Quebec, alluding to the "triple defeat which comes on the morrow of the Nova Scotia disaster and the eve of that in British Columbia," observed that "few governments escape such set-backs. Is it not the falling due of the promissory notes of 1930?" (Canadian Press dispatches, Oct. 24, 1933).

During the year 1934 six Federal By-Elections were held in Ontario constituencies. The first contest took place in South Oxford on Apr. 16, to fill a vacancy created by the death of Thomas M. Cayley (Lib.). It resulted in the election of A. R. Rennie (Lib.) by a majority of 1,530, the largest in the history of an old and historic riding. The Conservative candidate was Hon. Donald Sutherland, of Ingersoll, a former member of the Meighen Cabinet. The total vote polled was over 11,800. Leading Liberals acclaimed the result as evidence that public opinion was continuing to express itself against the policies of the Bennett Government. The Prime Minister took no part in the contest but several members of the Federal Cabinet participated in the campaign and their meetings were well attended. The Liberal forces were led by the Rt. Hon. Mackenzie King (Dominion Liberal Leader) and Mitchell F. Hepburn (Provincial Liberal Leader)—the latter, two months later to become Prime Minister of Ontario.

The other five By-Elections were all held on Sept. 24 (1934), with the result that the Liberals were victorious in Kenora-Rainy River, Elgin West, York North and Frontenac-Addington while the Conservatives retained East Toronto. The Elgin and Kenora seats had been vacated by the resignation of Mitchell F. Hepburn and the Hon. Peter Heenan, who had transferred to the Ontario Legislature as Prime Minister and Minister of Lands and Forests, respectively. Toronto East was vacated by the death of the Hon. E. B. Ryckman; Frontenac-Addington by the death of Dr. William Spankie; and York North by the death of Lieut.-Col. T. Herbert Lennox, K.C. The Liberals won Frontenac-Addington for the first time since the constituency was created. The results were as follows:

Toronto East

T. L. Church, Con.	13,227
H. P. Snelgrove, Lib.	10,721
Graham Spry, C.C.F.	4,649

Frontenac-Addington

Colin Campbell, Lib.	9,488
W. R. Aylesworth, Con.	6,917

York North

Lieut.-Col. W. P. Mulock, Lib.	11,480
Harold Breuls, Con.	7,793

Elgin West

W. H. Mills, Lib.	9,617
H. C. Borbridge, Con.	6,724
R. W. MacDonald, Ind.	562

Kenora-Rainy River

H. B. McKinnon, Lib.-Lab.	8,618
Joseph Derry, Con.	2,453

Members of the Federal Cabinet were reluctant to comment on the results of these By-Elections. The Prime Minister (Mr. Bennett) was absent in Europe at the League of Nations. Sir George Perley, the Acting Prime Minister, said the Press could draw its own conclusions. Some of the Ministers who had taken part in the campaign declared the Government forces had not been organized. The Liberals, on the other hand, had been well prepared for the contests and had received strong support from the National

Liberal Federation at Ottawa. The consensus was that the Government reverse was due to hard times. Remarking on the plenitude of Liberal propaganda and the lack of Government publicity, one Minister said: "there was too much poison and not enough antidote."

In his remarks upon the results of the By-Elections Mr. Mackenzie King (Liberal Leader) made it quite clear that he would expect the Prime Minister, who was in Europe representing Canada at the League of Nations, to prepare, upon his return, to face the country in a general election, rather than to call a Sixth Session of Parliament. The cryptic comment of the Hon. Ernest Lapointe, a former Minister of Justice and chief lieutenant of Mr. King, was: "Can Mr. Bennett, at Geneva, hear the voice of Canada?"

In a considered statement the Leader of the Opposition (Mr. King) made the following observations:

"Today's By-Elections, like all that have preceded them in the last two years, disclose how completely the present Administration have lost the confidence of the people.

"In what was appropriately termed 'a miniature general election,' the Government candidates in four constituencies out of five have been overwhelmingly defeated, whilst in the fifth the return of the Government candidates has been by a minority of votes.

"Constituencies which were previously held by the Liberals have vastly increased their Liberal majorities; constituencies which were regarded in bygone years as citadels of Toryism in the most Conservative Province in Canada have, in two constituencies out of three, given overwhelming Liberal majorities.

"One constituency alone has been saved to the Conservative Party by a minority of votes, and that only through the participation in the campaign of its newly-found allies, the C.C.F. and the personal popularity of a candidate none too friendly to the Administration.

"Had the present been a general election throughout Canada instead of a series of By-Elections in different parts of its largest Province, the same picture would have presented itself on a national scale.

"Having regard to the campaign of price spreads and mass buying, conducted on behalf of the Government by Mr. H. H. Stevens, Minister of Trade and Commerce, and the prominence thus accorded Mr. Stevens by the Prime Minister and his colleagues, it may also be said that the electorate has expressed in no less certain voice its indignation at a member of the Government not hesitating to use, for political ends, his high office as Minister of the Crown, Chairman of a Select Committee of the House of Commons, and Chairman of a Royal Commission.

"A greater violation of the privileges of Parliament will not be found in any British country. In the light of to-day's verdict, the citizens of Canada will expect from the Prime Minister an immediate statement as to whether or not Mr. Stevens is to be permitted to continue to hold the judicial office of Chairman of a Royal Commission with respect to the proceedings of which, in a series of political contests, he has not hesitated to assume the rôle of judge and jury, prosecutor and executioner."

The standing of the Parties in the House of Commons after the General Election of July, 1930, and at Jan. 2, 1935, was as follows:

July, 1930: Conservatives, 137; Liberals, 88; United Farmers, 10; Progressives, 2; Liberal-Progressives, 3; Labour, 2; Independent-Labour, 1; and Independents, 2.

Jan. 2, 1935: Conservatives, 132; Liberals, 89; United Farmers, 10; Progressives, 1; Liberal-Progressives, 3; Labour, 3; Independent-Labour, 1; Independents, 2; and Vacant, 4.

The Fifth Session of the Seventeenth Parliament

Parliament was summoned to meet on Jan. 25, 1934, and the Session continued until the first week of July, with a short recess at Easter. His Excellency the Earl of Bessborough read the Speech from the Throne in The Senate Chamber, the opening ceremony being attended by the customary pomp and pageantry. The Speech from the Throne forecast legislation designed to facilitate the efficient and profitable marketing of farm products. It announced that Agreements entered into by the Government at the World Monetary and Economic Conference in London to mitigate fluctuations in the price of silver would be submitted to Parliament. Legislation for the establishment of a Central Bank, the extension and revision of bank charters and certain other banking and monetary measures would be brought down. The Government had entered into an Agreement with other countries to control the marketing of wheat and this would be laid before Parliament. Reference was made to a successful Canadian loan in London, the first to be floated there in over fifteen years. The establishment of agricultural short-term and intermediate credits in co-operation with the Provinces was proposed, and it was announced that, following a Dominion and Provincial Conference, Federal financial assistance to the Provinces on account of unemployment and farm relief would be continued until the return of more normal conditions. The Government, it announced, would promote employment by expenditures on essential public works. An appropriation of $40,000,000 was later voted for this purpose. Revision of the Excise Act, the Companies Act, the Judges Act, and the Elections Act was also forecast.

In the Commons Chamber three new Liberal Members were introduced, namely, J. E. Michaud (Restigouche-Madawaska), Aimé Boucher (Yamaska) and John A. MacMillan (Mackenzie). Jubilation of the Liberal Members over their three By-Election victories contrasted sharply with the deep sorrow expressed by the three Leaders over the loss sustained in the death of the Hon. E. B. Ryckman, former Minister of National Revenue, and Thomas M. Cayley, Member for South Oxford.

The Address-in-Reply to the Speech from the Throne was moved by Samuel Gobeil (Con., Compton) on Jan. 29 and seconded by H. J. Barber (Con., Fraser Valley) and the debate was continued by the Rt. Hon. W. L. Mackenzie King, the Liberal Leader, who spoke for more than four hours. Mr. King referred to the recent By-Elections in Restigouche-Madawaska, N.B., Yamaska, Que., and Mackenzie, Sask., which had gone against the Government. He declared that Conservative candidates in each case had lost their deposits and argued that the Government had lost the confidence of the electors. He attacked the policies of the Administration, maintaining that they were strangling trade. Unemployment, he argued, was increasing, the number of persons unemployed "at the present time . . . are, at least, 500,000," whereas, he stated, there had been

only 117,000 unemployed when the Conservatives assumed office in 1930. By tariff increases the cost of the necessaries of life had been increased and the Government, having destroyed trade, were now seeking by an agreement with other countries respecting wheat, to curtail production. The Opposition Leader complained bitterly about the restoration of titles in Canada, declaring that the Prime Minister had affronted Parliament in advising His Majesty the King to confer knighthoods on Canadians on the eve of the meeting of Parliament, notwithstanding a Resolution of a previous House of Commons asking His Majesty graciously to refrain from conferring titles upon any of his subjects domiciled in Canada. Mr. King also contended that Parliament should have been consulted before the Government guaranteed the banks against loss on a loan of $60,000,000 to the Canadian Pacific Railway Company. In conclusion, he said:

> The Government's policies have not brought about the improvement in conditions which the Government said they would. Under them, conditions have become worse instead of better. The Government have failed to bring forth any real policy on agriculture; they have failed to bring forth any real policy on finance and monetary matters; they have failed to bring forth any policy on labour matters. They have had no policy except one of restriction in matters of trade. In all these things and in many others, they have been deplorably deficient. With respect to matters in which this House of Commons is vitally interested in preserving its own rights and privileges, and thereby protecting the people in their rights the Government have been more than indifferent. They have forfeited every right to continue longer in office. Therefore, Mr. Speaker, I now beg to move an Amendment to the Address which I believe to be demanded by the people of the country in consequence of the hopeless way in which the Government have carried on the administration of the country's affairs during the last three and a half years. It affords the only means of giving expression to their views, the only means whereby the country can expect through a change of policies to get out of this prolonged depression and again on the path to prosperity. The Amendment which is seconded by the hon. Member for Quebec East (Mr. Lapointe), is as follows:
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> That the following be added to the Motion: "We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country."

In a speech of equal length the Prime Minister (Rt. Hon. R. B. Bennett) replied to the attack of the Opposition Leader. He defended the Wheat Agreement, declared Canada never would approve a lop-sided trade agreement with the United States so long as he led the Government, justified the $60,000,000 loan guarantee to the Canadian Pacific Railway and refused to consider a general election. To the Liberal chieftain's allegation that the Government had lost not only the confidence of the people but confidence in themselves, Mr. Bennett replied that the people of Canada—"concerned with the great problems with which they have grappled with such courage"—were against the holding of a general election at that time. He and his colleagues were proud of the privilege of guiding the country through the economic crisis "and if the electors are not grateful—and I have every reason to believe they will be when the appropriate time comes—we are content, because we have had the great privilege of serving the people."

Commenting on the relative positions of Canada and the United States, the Prime Minister reiterated the statement that he had made at Montreal upon his return from the World Economic Conference, that Canada, a debtor nation, depending largely upon export trade, could embark upon no such experiment as that of the NRA in the United States. However, the Government proposed to initiate an investigation into Canadian business conditions, price spreads, hours of labour and wages. Alluding to the question of reciprocal trade with the United States, the only form, Mr. Bennett said, of treaty that could be arrived at between the two countries was one that was just and fair to both and one that afforded an opportunity for the products of one country in the markets of the other under fair conditions. No agreement would be possible that would impose unfair conditions upon Canadians.

The Prime Minister swept aside the contention of the Liberal Leader that Western Canada was opposed to the London Wheat Agreement by reading a telegram which he had received while *en route* to London from the Governments of the three Prairie Provinces asking him to work for a reduction in world wheat acreage. He declared that tariffs had nothing to do with the loss of wheat markets in Europe; this was due rather to the determination of such countries as France that they would not again be caught short of food as they had been during the Great War period. He produced the Order-in-Council authorizing the Canadian Pacific Railway loan guarantee and explained that the Railway Company had made substantial expenditures in the belief that it would be able to sell its debentures. This was found to be impossible either in London or New York and the question that the Government had to consider was whether the C.P.R. should be permitted to default on maturing obligations. In view of all the circumstances it had been decided to guarantee the loan, against which gilt-edged security had been furnished.

Mr. Bennett defended his attitude with respect to the restoration of titles, declaring the Resolution passed by the House of Commons in 1919 asking the King to refrain from honouring his Canadian subjects was ineffective in law and an affront to the Sovereign himself. He pointed out that the 1919 Resolution had been passed only by the House of Commons. The Senate had taken no such action, therefore it could not be maintained that Parliament had asked that titles be banned. The Resolution of the House was "not law but merely a pious hope." As Prime Minister he must assume the responsibility for recommendations made to His Majesty for the New Year's honours and must assume the responsibility for advising the Crown that the Resolution of 1919 was invalid. The knighthoods conferred upon the Rt. Hon. Lyman P. Duff and the Hon. Joseph M. Tellier were not contrary to the Resolution sponsored by Humphrey Mitchell, Labour Member for Hamilton, and the decorations given to some 30 odd women did not carry titles. Moreover, if it was fit and proper for the Liberal Leader (Mr. King) "to be-

come a Companion of the Order of St. Michael and St. George" it was quite proper that recognition should be given to women who had devoted years of their lives to the service of children and the afflicted.

The debate continued intermittently for three weeks, fifty Members participating. Rising to speak on Feb. 13, during the closing stages, the Hon. R. J. Manion (Minister of Railways) said that 8 Government Members had spoken, 8 from the ranks of the C.C.F. and 28 from the Liberal benches, and he described the debate in all sincerity as "the dullest, the most destructive and the most useless I ever heard in the House of Commons." In the course of a fighting speech the Minister made the significant statement that railway amalgamation was absolutely forbidden by Canadian law, (*Hansard,* Feb. 13, 1934) and went on to rebuke the Liberal Leader who, he said, had given the House four hours of defeatism and gloom. Three of the Liberal front-benchers took part in the discussion, the Hon. Ernest Lapointe, the Hon. J. L. Ralston and the Hon. Ian Mackenzie, while the Hon. H. H. Stevens (Minister of Trade and Commerce) intervened from the Government side.

That night, Feb. 13, the House divided and the Government scored their first major victory of the Session when the want-of-confidence Motion introduced by Mr. Mackenzie King was rejected by 110 to 76. The Government were supported by two Progressives, A. M. Carmichael of Kindersley and Donald M. Kennedy of Peace River. Before the main Motion could be put, however, James S. Woodsworth, the C.C.F. Leader, moved, seconded by Robert Gardiner (U.F.A., Acadia), regretting that the Government had not taken such steps as were "necessary to deal adequately with unemployment, to reduce the burden imposed by the Public Debt and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living." This was defeated by a majority of 35—54 for and 89 against. Mr. Carmichael again voted with the Government. In the dying hours, the Hon. W. D. Euler (Lib., North Waterloo) advocated a "New Deal" for Canada, including shorter working hours for all, a reduction of interest rates, unemployment insurance and railway amalgamation under public ownership auspices.

The Budget, 1934: Reduction in Expenditures; Taxation and Tariff Changes

The Budget Speech was delivered by the Hon. Edgar N. Rhodes, Minister of Finance, in the House of Commons on Apr. 18, 1934. After noting that three successive Budgets had been delivered in the face of a progressive decline in business, with the inevitable disappointment in revenues and inability to meet necessary expenditures, Mr. Rhodes was able to report a distinct betterment. "The evidence of business recovery is written incontrovertibly in the recorded facts of our industry and trade," he said, and he cited pertinent statistics in support of his statement. These showed an increase in the physical volume of business in Canada, increasing sales of electrical energy, an increase in the movement of railway revenue freight and a total increase in persons employed in Canada of not less than 250,000.

Alluding to the drastic fall in the world level of commodity prices, Mr. Rhodes declared that the Government had persistently pursued a policy designed to stimulate a rise in prices by every sound means. As Canada was so heavily interested in export trade it had been recognized that her most important need was to secure a rise in the world level of commodity prices. Consequently, at the Imperial Economic Conference held in Ottawa in 1932, and at the World Economic Conference in London in the Summer of 1933, members of the Dominion Cabinet had done their utmost to secure the adoption of common policies designed to promote first a rise in, and later a stabilization of, the world level of commodity prices. It had been impossible to secure as great a measure of international co-operation and the employment of the aggressive policies thought desirable, but a considerable measure of success had been attained. Within Canada the Government had brought about a lowering of interest rates and easier conditions in the money markets, "which constitute essential conditions favourable to a rise in commodity prices." The export of gold from Canada except under licence from the Department of Finance had been prohibited since October, 1931.

Mr. Rhodes explained why Canada had not devalued her currency on the same basis as the United States. He pointed out that the Canadian dollar was currently selling on an approximate parity with that of the neighbouring Republic which had been devalued by slightly over 40 per cent. In his opinion, stabilization of the Canadian currency must await the establishment of a stabilized ratio, at least on a *de facto* basis, between the United States dollar and the English pound. So strongly, he pointed out, were Canadian interests tied up with those of the United Kingdom and the United States, that a policy of tying up to one and not to the other would be inadvisable, unless one of these "should exhibit a deflationary tendency."

After discussing the improvement in the money market and the strength of Canadian investment markets, the Minister expressed very confidently his view that the low point in the long depression had been passed and went on to quote trade figures as evidence of improving conditions. He said that declines that had been a feature of world trade in recent years had changed, in 1933, for Canada, to increases. Exports had substantially increased while the increase in imports had been not inconsiderable. In the twelve-months' period ended Mar. 31, 1934, exports of Canadian produce had increased by $105,568,000, or 22 per cent. over the corresponding period in the previous year. Imports, advancing less rapidly at first, but showing greater gains as the year progressed, had registered a total increase for the fiscal year of $27,395,000, or 7 per cent.

The improvement in aggregate trade had been $132,300,000 over the corresponding previous twelvemonth, or 15 per cent., the total exceeding one billion dollars. For the previous five fiscal years (ended Mar. 31) the trade of Canada was as follows:

Year	Imports	Exports
1930	$1,248,274,000	$1,144,938,000
1931	906,613,000	817,028,000
1932	578,504,000	587,566,000
1933	406,384,000	480,714,000
1934*	433,798,625	585,654,000

*Preliminary.

(The betterment in trade which the Minister of Finance noted continued throughout the year 1934. A summary bringing the figures up to the end of September showed that for the twelve months ended September, 1934, the total trade was $1,135,502,254, as compared with $895,977,779 in the previous twelve months while the so-called favourable balance of trade had increased from $126,198,000 to $140,704,928. Total imports into Canada for the twelve months ended with September, 1934, were $497,398,663, as compared with $384,889,724, while total exports were $638,103,591 as against $511,088,055 in the preceding twelve months—see also "Industries and Commerce").

Revenue and Expenditure, 1933-34. The recovery of business was reflected in expanding Federal Revenues. This expansion did not begin

until the second quarter of the fiscal year (ended Mar. 31, 1934) but the acceleration of business in the latter part of the year obliterated a loss of $16,600,000 which collections had shown early in July and, when the final accounts for the fiscal year were in, the Dominion exchequer was $17,500,000 better off than in the preceding year. The total receipts from taxation were $271,800,000 as compared with $254,300,000 in the year 1932-33.

Mr. Rhodes presented to the House a summary statement of all Expenditures for the year 1933-34, including railway deficits. The total amount was $459,200,000 as compared with $468,726,000 in the year 1932-33, a net reduction of $9,500,000. Actually, the statement showed a total Expenditure for the year of $531,700,000, but $62,938,000 of this amount represented loans made in previous years to harbour commissions and the Canadian National Railways which were written down from Active to Non-Active Assets.

With Ordinary Expenditures of $347,700,000 and Ordinary Revenues (see elsewhere in this Sub-Section for table of Revenue and Expenditure issued Oct. 17, 1934) amounting to $323,600,000, the deficiency on Ordinary Account was $24,100,000. The comparative figure for the previous fiscal year (1932-33) was $43,200,000. Notwithstanding the failure of the Revenues to reach the anticipated figure, on Ordinary Account a net improvement of $19,100,000 took place.

After taking into consideration Capital Expenditures and Special Expenditures, including unemployment relief, less special receipts, it was found that the Deficit for the year on Government operations, amounted to $76,300,000. This figure was further enlarged when there were taken into the Government accounts the losses on operation of the Canadian National Railways System, amounting to $58,900,000. The resulting increase in the Net Debt during the year 1933-34 on all accounts was $135,200,000. The corresponding figure for the previous year (1932-33) was $157,700,000, indicating a betterment of $22,500,000.

The Minister of Finance stated that in view of the interest in the question of the cost of government generally in Canada, "it may be appropriate to present some figures briefly analyzing the purposes to which the outlay of the Dominion Government is applied, and indicating the extent to which, by the various measures of economy which have been adopted, Controllable Expenditures have been reduced since 1930-31. For the purpose of these comparisons, the extraordinary and fluctuating amounts required for railway deficits and unemployment relief, are excluded from the figures, but all other expenditures of the Government are included.

"In the year ending Mar. 31, 1934, such Expenditures totalled $364,000,000. Of this amount, $230,000,000 was required for purposes classed as uncontrollable and $134,000,000 for controllable. In other words, out of every $100 expended $63 went for expenses designated as uncontrollable and $37 for services that are ordinarily regarded as controllable. The main services under uncontrollable are interest on Public Debt amounting to $139,700,000; War pensions, $41,700,000; and treatment and after-care of returned soldiers, $9,500,000. These three items alone account for 83 per cent. of the expenditure included under the category of uncontrollable. There are, in addition, Provincial subsidies, $15,300,000; old age pensions, $12,500,000; and some minor items which do not add greatly to the total. All other expenditures whether on Ordinary or Special account, or Capital or Non-Active loans and advances, are included for the purpose of these computations under the heading of controllable.

"As compared with the year 1930-31, the Uncontrollable Expenditures for 1933-34 were greater by $19,000,000 due mainly to increased charges for interest on Public Debt and old age pensions.

"The Controllable Expenditures, however, have declined from $217,000,000 to $134,000,000, a reduction of $83,000,000, or over 38 per cent. After allowing for the Election expenses of two million dollars in 1930, for which there was no corresponding charge in the fiscal year 1933-34, the improvement stands at $81,000,000. This decrease has been brought about by a curtailment of $50,000,000 in Ordinary Expenditures and a reduction in Capital

and other Expenditures of $31,000,000. To achieve this result, there has necessarily been a rigid scrutiny and control of Departmental activities and personnel. From 1930 to 1933, Government employees, including fluctuating as well as permanent staffs, were reduced by over 12,000 in number. The saving in salaries and wages exceeds $10,000,000 a year, not including the saving of some $7,800,000 arising out of the 10 per cent. Civil Service salary deduction.

"There is a further comparison which may be illuminating. In the fiscal year 1913-14, the Ordinary Controllable Expenses of government amounted to $87,000,000, as compared with $123,000,000 in 1934.

"Of the increase of $36,000,000, over $17,000,000 is applicable to the Post Office Department, the services of which have necessarily expanded in twenty years. The increased expenditure has been compensated for by a corresponding addition to the revenues and is not a contributing factor to the Deficit of the Government. Eliminating Post Office expenditures, the comparable figures become $73,000,000 for 1913-14, as compared with $93,000,000 in 1933-34, an increase of $20,000,000. In the interval, the population of Canada has increased from 7,600,000 to 10,300,000. The cost of maintaining Public Services has necessarily been influenced by the growth in population, as well as the addition of new Services. Yet the actual expenditures to-day on the ordinary controllable Services of government are less than they were in 1913-14 considered on a *per capita* basis. The figures are $9.60 a head in 1913-14, as compared with $9.03 last year (1933-34).

"In appraising this result, note should be taken of the cost of new Services added in the interval. It now costs $5,000,000 more annually to collect the public revenues than in 1913-14, due to the amplification of the taxation system. While the percentage cost of collection is lower, the actual expenditure has naturally been increased. The cost of administering the Public Debt is included under Controllable Expenditures and requires about $500,000 more than in 1913-14. Other new items are $1,000,000 for the Radio Commission, $320,000 for radio services, $1,600,000 for the Aviation Branch of the Department of National Defence, $380,000 for the National Research Council and $2,750,000 for the movement of Canadian-mined coal. These items alone total $11,000,000. There are other items, such as the cost of operation of the new Welland ship canal, increased expenditures in connection with the Grain Act, amounting to some $1,300,000, and other expenses such as those arising from improvements in the status of labour, workmen's compensation and the eight-hour day, which have added, and quite properly so, to the cost of certain Services.

"Viewed in the light of these comparisons with the Expenditures of 1913-14, and not desiring to minimize the necessity for the closest scrutiny of the cost of Governmental Services, particularly in view of the weight of our fixed charges, it does appear that the Controllable Expenditures have now been reduced to a point from which it will be difficult to effect further substantial savings without curtailment or discontinuance of Services which are considered to be essential."

Indirect Liabilities. Bonds outstanding at Mar. 31, 1934, bearing the guarantee of the Government of Canada, amounted to $994,000,000, having been reduced by approximately $3,000,000, in the year.

For the purpose of enabling the Canadian Pacific Railway Company to meet capital obligations and indebtedness, payable partly in Canada and partly in the United States, the Dominion guaranteed advances and interest thereon to the amount of $60,000,000 obtained by the Company from Canadian chartered banks. In view of existing conditions, the Company found itself unable to make a public issue of securities in the markets in which such financing would ordinarily have been done. The bank loans were secured by $100,000,000 par value of Canadian Pacific Railway Company 4 per cent. perpetual consolidated debenture stock.

The guarantees given under the Relief Acts, as at Mar. 31, 1934, amounted to $93,296,000, apart from those relating to wheat which were not for a stated sum and which fluctuated from day to day. The list follows:

Guarantee under Relief Acts

	Principal Amount of Guarantee outstanding, Mar. 31, 1934
Province of British Columbia	$ 626,533
Province of Manitoba	5,894,127
Province of Manitoba Savings Office	10,844,853
Algoma Steel Corporation	660,000
Dominion Steel and Coal Corporation	540,000
Canadian Pacific Railway Company	60,000,000
Beauharnois Light, Heat & Power	14,105,558
Government of Newfoundland	625,000
Canadian Co-operative Wheat Producers Ltd.	Unstated

Loans to Provinces. Loans were made to the Provincial Governments during the fiscal year 1933-34 under the Relief Act, to a net amount of $12,540,000 after crediting certain repayments. This addition to the loans of $38,200,000 outstanding at the close of the previous fiscal year brought the total assistance of this nature to the Provincial Governments to $50,700,000.

Three Provinces, Alberta, Manitoba and British Columbia, received loans in connection with the payment of debt obligations to the public. Alberta borrowed $1,968,000 to meet a debenture maturity of Apr. 1, 1934, payable in Canada or New York; Manitoba secured $1,470,000 to meet an obligation due on the same date, also payable in Canada or New York; and British Columbia received loans of $1,435,000 to meet interest obligations. The other loans related to the financing of the Provincial share of relief expenditures or were for the purpose of placing the Provinces in funds to assist municipalities to finance their share.

The Provinces paid interest on the loans as payments became due, with the exception of certain loans made to the Province of Saskatchewan for relief purposes. This Province was not able to meet the interest from its own resources and tendered Treasury Bills in payment.

At the Dominion-Provincial Conference held in 1934, which was attended by representatives of all the Provinces, Mr. Rhodes stated "it was unanimously agreed that the Dominion Government should give special financial assistance to Provinces where conditions warrant. In granting these loans," he continued, "the Dominion Government policy has been as in the two previous years, to limit this form of assistance to the minimum. Each application was considered having regard to the special situation prevailing, the particular purpose of the loan and the general budgetary position of the borrower on the ordinary services of government."

A summary statement showing the loans to the several Provinces outstanding at Mar. 31, 1934, and the purpose for which they were granted, follows:

Loans to Provinces under Relief Acts

(Net Outstanding Mar. 31, 1934)

	Loans Covering Obligations Maturing in New York	Loans for Assistance to Farmers, including Purchase of Seed Grain	Loans for Provincial Purposes including Public Works and Direct Relief	Total
	$	$	$	$
Manitoba	4,603,000	304,000	5,179,000	10,086,000
Saskatchewan	3,934,000	4,893,000	14,728,000	23,555,000
Alberta	5,111,000	140,000	4,800,000	10,051,000
British Columbia	1,372,000	.....	5,676,000	7,048,000
Total	15,020,000	5,337,000	30,383,000	50,740,000

The Canadian National Railways. The Canadian National Railway System's Operating Revenues suffered a further decline of $12,500,000, or nearly 8 per cent., in the calendar year 1933. The loss in revenues was almost entirely covered by a saving in Operating Expenses. However, as the management had made its budget for the year on the basis of the gross

earnings of the previous year being substantially maintained, the amount required from the Dominion Government for the payment of deficits exceeded the estimated figure by $4,300,000. The amount provided by the Government and taken into the Public Accounts as an expenditure in respect of the deficit on the Canadian National Railway System, after payment of interest on obligations in the hands of the public, was $58,950,000, a decrease of $1,100,000 from the previous year. The net loss of the System as shown by their accounts, amounted to $97,650,000. The difference between this sum and the contribution of the Government above referred to, was made up of $36,000,000 for interest on loans from the Government—such interest being accrued in the railway accounts but not actually paid—and $2,600,000 for certain other non-cash items. The amount paid for deficits was made up of two parts: that for the System, excluding Eastern Lines, $52,200,000, and that for the Eastern Lines, $6,600,000. As at the end of March, 1934, the debt of the Canadian National Railway System outstanding in the hands of the public amounted to $1,253,000,000, having been reduced by $10,000,000 in the previous year. Of the amount outstanding, $962,000,000 were obligations guaranteed by the Dominion. The following table is a statement of the System's financial requirements:

Canadian National Railways

	Actual 1933 $	Budget 1933 $	Actual 1932 $
Deficit, System (Ex. Eastern Lines)	52,263,819	47,941,395	53,422,661
Deficit, Eastern Lines	6,691,569	6,611,000	6,635,845
Total	58,955,388	54,552,395	60,058,506
Capital Expenditures	1,958,116	5,993,121	799,158
Debt Retirement	11,269,985	12,265,584	11,510,178
	72,183,489	72,811,100	72,367,842
Less Working Capital Available	5,000,000	5,200,100	4,231,997
Amount Required	67,183,489	67,611,000	68,135,845

The Federal Balance Sheet. The Minister of Finance arrived at an Estimated Net Debt as at Mar. 31, 1934, of $2,731,696,000 by taking Active Assets—made up of cash balances, specie accounts, loans and advances, which were realizable or income-producing, and other miscellaneous accounts—as an offset against Gross Liabilities. Total Liabilities were placed at $3,140,471,000, and Active Assets at $408,775,000. The following tables show the Balance Sheet enumerating the Estimated Assets and Liabilities as at Mar. 31, 1934:

Active Assets, Mar. 31, 1934

(Estimated)

Cash, working capital advances and other current assets		$ 14,263,000
Specie Reserve		71,509,000
Advances to banks under Finance Act		40,144,000
Loans to Provinces for housing	$ 10,169,000	
Loans to Provinces, Relief Acts	50,740,000	
		$ 60,909,000
Loans to Foreign Governments—		
Greece	$ 6,525,000	
Roumania	23,969,000	
		$ 30,494,000
Loans to Harbour Commissioners—		
Montreal	$ 58,422,000	
Vancouver	22,625,000	
New Westminster	275,000	
		$ 81,322,000
Canadian National Railways		17,305,000
Canadian Farm Loan Board		8,503,000
Soldier and General Land Settlement		45,402,000
Seed Grain and Relief Advances		2,393,000
Canadian Government Railways Open and Stores Accounts		15,749,000
Deferred Debits—		
Unamortized Discount and Commission on Loans		20,782,000
		$408,775,000

Liabilities, Mar. 31, 1934

(Estimated)

Dominion Notes Outstanding		$172,400,000
Bank Circulation Redemption Fund		6,486,000
Insurance and Superannuation Funds—		
Government Annuities	$ 34,660,000	
Insurance Fund, Civil Service	8,440,000	
Insurance Fund, Returned Soldiers	12,313,000	
Retirement Fund	7,528,000	
Superannuation Funds	46,335,000	
		$109,276,000
Trust Funds—		
Indian Funds	$ 13,631,000	
Common School Funds	2,675,000	
Contractors' Securities Deposits	118,000	
Other Trust Funds	2,180,000	
		$ 18,604,000
Contingent and Special Funds		3,105,000
Post Office Money Orders, Postal Notes, etc., outstanding		4,280,000
Province Accounts		9,623,000
Post Office Savings Bank Deposits		23,300,000
Funded Debt—		
Unmatured	$2,789,152,000	
Matured but not presented for payment	2,500,000	
		$2,791,652,000
Interest coupons matured but not presented for payment		1,745,000
		$3,140,471,000

Non-active Assets, Mar. 31, 1934

(Estimated)

Capital Expenditures—		
Public Works, Canals	$242,092,000	
Railways	444,314,000	
Public Buildings, Harbour and River Improvements	251,061,000	
Military Property and Stores	12,035,000	
Territorial Accounts	9,896,000	
		$959,398,000
Loans, Non-active—		
Canadian National Railways		655,527,000
Railway Accounts (Old)		88,399,000
Canadian National Steamships		15,353,000
Harbour Commissioners—		
Quebec	$ 26,257,000	
Chicoutimi	3,282,000	
Halifax	8,768,000	
Saint John	12,748,000	
Three Rivers	2,694,000	
Montreal South Shore Bridge	1,588,000	
		$ 55,337,000
Seed Grain and Relief Advances		675,000
Soldier and General Land Settlement		16,514,000
Miscellaneous Advances		3,527,000
Consolidated Fund—		
Balance, Consolidated Fund, brought forward from Mar. 31, 1933	$811,417,000	
Excess of Expenditure over Revenue, fiscal year ended Mar. 31, 1934	125,549,000	
		$936,966,000
Net Debt Mar. 31, 1934		$2,731,696,000

The Funded Debt of Canada

(Unmatured Funded Debt and Treasury Bills as of Mar. 31, 1934 and Annual Interest Charges)

Date of Maturity		Rate	Where Payable	Amount of Loan	Annual Interest Charges
		%		$ cts.	$ cts.
1934—June	1	3½	London	23,467,206 27	821,352 22
July	1	5	Canada	33,293,470 85	1,664,673 54
Aug.	1	3⅞	Canada	50,000,000 00	1,937,500 00
Oct.	1	4	New York	60,000,000 00	2,400,000 00
Nov.	1	4	Canada	35,000,000 00	1,400,000 00
Nov.	1	5½	Canada	222,216,850 00	12,221,926 75
1935—Aug.	1 (a)	5	Canada and New York	874,000 00	43,700 00
Oct.	15	4	Canada	25,000,000 00	1,000,000 00
Oct.	15	3½	Canada	89,393,000 00	3,128,755 00
1936—Feb.	1	4½	New York	40,000,000 00	1,800,000 00
Nov.	15	5	Canada	79,535,200 00	3,976,760 00

The Funded Debt of Canada—*Continued.*

Date of Maturity	Rate %	Where Payable	Amonnt of Loan $ cts.	Annnal Interest Charges $ cts.
1937—Mar. 1 (a)	5	Canada and New York	89,787,100 00	4,489,355 00
Dec. 1 (a)	5½	Canada	236,299,800 00	12,996,489 00
1938—July 1	3	London	8,071,230 16	242,136 90
July 1	3	London	18,250,000 00	547,500 00
July 1	3	London	10,950,000 00	328,500 00
July 1	3½	London	15,056,006 66	526,960 23
1939—Oct. 15	4	Canada	47,269,500 00	1,890,780 00
1940—Sept. 1	4½	Canada	75,000,000 00	3,375,000 00
1941—Nov. 15	5	Canada	141,663,000 00	7,083,150 00
1943—Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944—Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
1945—Oct. 15	4	Canada	88,337,500 00	3,533,500 00
1946—Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
1947—Oct. 1	2½	London	4,888,185 64	122,204 64
1950—July 1	3½	London	137,058,841 00	4,797,059 43
1952—May 1	5	New York	100,000,000 00	5,000,000 00
Oct. 15	4	Canada	56,191,000 00	2,247,640 00
1956—Nov. 1	4½	Canada	43,125,700 00	1,940,656 00
1957—Nov. 1	4½	Canada	37,523,200 00	1,688,544 00
1958—Sept. 1	4	London	73,000,000 00	2,920,000 00
1958—Nov. 1	4½	Canada	276,687,600 00	12,450,942 00
1959—Nov. 1 (b)	4½	Canada	289,693,300 00	15,933,131 50
1960—Oct. 1	4	London	93,926,666 66	3,757,066 67
Oct. 1	4	New York	100,000,000 00	4,000,000 00
Treasury Bills—				
Due June 1, 1934		Canada	2,450,000 00	
Due Nov. 1, 1934		Canada	12,550,000 00	
			2,858,558,457 24	131,890,287 88
Payable in Canada			$2,083,229,220 85	72.88%
Payable in Canada and New York			90,661,100 00	3.17%
Payable in New York			300,000,000 00	10.49%
Payable in London			384,668,136 39	13.46%
			$2,858,558,457 24	100%
Less bonds and stocks of the above loans held as Sinking Funds			69,406,434 43	
			$2,789,152,022 81	

(a) Tax free in Canada; (b) 5½% to Nov. 1, 1934. (See first Chapter in volume for "Refunding of Loans").

Taxation and Tariff Changes. The taxation proposals in the 1934 Budget were not extensive; the chief ones were as follows:

Income Tax—No changes were made in the schedules of Income Tax rates and exemptions. The Income War Act, however, was subject to a number of minor Amendments designed primarily to remove existing inequalities in its application.

The Special War Revenue Act—(1) The rate of the Sales Tax remained unaltered at six per cent., the following items being transferred to the exempt list: bakers' cakes and pies, certain sugar bush equipment, and milk albumen used exclusively in the production of animal or poultry feed. (2) In Excise Taxes: the Tax on sugar was reduced from 2c. to 1c. per pound; glucose and grape sugar from 1c. to ½c. per pound; sparkling wines from $1.50 to 75c. per gallon; cigarette tubes from 4c. to 3c. per hundred; Postal Notes of $1 and under from 3c. to 1c. each; and the Special Excise Tax on goods imported from Empire countries from 3 per cent. to 1½ per cent.

Tax on Gold—A tax of 25 per cent. was imposed on the premium value of gold deposited for sale at the Mint produced from ore mined in Canada by producers of gold who in both of the years 1932 and 1933, and also at any time in the six months prior to Apr. 19, 1934, paid dividends in cash or stock on preferred or common stock. The Tax also would apply to all gold exported in the form of ore, concentrates or base bullion produced in Canada by the producers paying dividends as above. The Tax should not operate, however, so as to reduce the amount payable to the depositor or exporter below $30 the ounce fine in currency of Canada. Against the Gold Tax payable, a deduction would be allowed equal to the amount of Income Tax payable by the producer of gold for and in respect of the calendar year 1934.

Excise Duties—The principal change in connection with Excise Duties was a consolidation of the previous duty of 3c. a pound on malt and the gallonage tax of 12½c. on beer, levied under the Special War Revenue Act, into a single Excise Duty of 6c. the pound on malt. This change represented a slight reduction in the rate of taxation to which beer was directly or indirectly subject if calculated on a gallonage basis. In accordance with the above changes, the tax on malt syrup was reduced from 20c. a pound to 10c. a pound and the tax on sweet wort was repealed.

Amendments to the Customs Tariff were relatively few in number (72), but not without interest, and were summarized as follows: Reductions under all tariffs, 24; Reductions under British preferential tariff only, 15; Reductions under intermediate and general tariffs only, 13; Increases under intermediate and/or general tariffs, 2; Increases under all tariffs, 1; Clarification of wording, 17.

Items of major commercial importance on which reductions were confined to the British preferential tariff included jute yarns, wide steel plates, salt cake, crude oil not in its natural state, impregnated canvas suitable for manufacturing tents, awnings and similar articles, and spun yarns of artificial silk.

Numerous chemical commodities were returned to the free list, the more important of these being gum amber, some reagents, certain ingredients of synthetic resins and synthetic kryolite. Aluminum leaf was made "free" from all countries.

The solitary instance of upward revision under all tariffs was that of ply-jute twines, the proposed rate being the result of an inquiry by the Tariff Board.

Duties were imposed, under the intermediate and general tariffs, on crude peanut oil and were increased on certain ferro-alloys. The former action provided an Empire preference contemplated by the Imperial Economic Conference but not hitherto made effective; the latter was intended to protect an important Canadian key industry, the only one of its kind in the Dominion, against the questionable commercial practices of certain European producers.

The drawback of duty hitherto granted on imported bituminous coal, used in the production of coke in by-product recovery coke ovens, was widened in terms to cover coke "produced by any method," with the amount of drawback for the entire item reduced from ninety-nine to fifty per cent.

Opposition to the Gold Tax. The Gold Tax, as originally proposed by the Minister of Finance in his Budget Speech, was a straight ten per cent. impost upon gross production. Mining interests were immediately up in arms. G. C. Bateman, Secretary of the Ontario Mining Association, Fraser D. Reid, President of the Association, and others immediately left Toronto for Ottawa to protest. Strong representations were also made by Hon. Charles McCrea, Ontario Minister of Mines. The burden of their objections was that a ten per cent. tax on gross production would seriously cripple, if not ruin, the mines working in low-grade ore. As a result of these representations the basis of the tax was changed to a tax of 25 per cent. on the premium value of gold, as set forth above in the list of taxation changes.

The Budget Debate. With 45 speakers participating, the Budget debate opened on Apr. 23 and was concluded on May 15. The Opposition attack was led by Colonel the Hon. J. Layton Ralston, financial critic of the Liberal Party, who complained particularly of the trade policy of the Government, strongly criticized the proposed tax on gold production in Canada, deplored alleged ministerial interference with the new Federal Tariff Board and concluded by moving the following Amendment, which the Speaker subsequently ruled out of order:—

"This House regrets that the proposals of the Minister of Finance give no indication of the intention of the Government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

"It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end."

Colonel Ralston condemned the action of the Government in guaranteeing the banks against loss in connection with the stabilization of wheat prices on the Winnipeg Grain Exchange. Although the Prime Minister had said the Government obligation on this account might amount to $15,000,000, the Liberal critic feared it would be $25,000,000 and he protested against "the idea of the Prime Minister writing a letter giving an absolutely blank guarantee to the banks of the Dominion to back up and finance the operations of any one individual (John I. McFarland, General Manager of the Central Selling Agency of the Western Wheat Pools) in respect of any undertaking." Colonel Ralston declared "the Prime Minister is too fond of signing letters in the name of the people of Canada" and he went on to complain about the Government guarantee to the banks against loss in connection with a loan of $60,000,000 to the Canadian Pacific Railway, objecting to the circumstances in which the loan was made and to what he considered the excessive rate of interest charged by the banks.

Trade statistics were quoted for the previous seven years to prove Colonel Ralston's contention that "the policy of economic nationalism is proving disastrous," Canada's total trade having decreased from $2,359,000,000 in 1928 to $886,000,000 in 1933 and the Opposition critic claimed that the 1933 figure was the lowest in Canada since 1912. Alluding to new Trade Agreements made with non-Empire countries, he said one was with Germany, another with Austria and the third with France. To summarize, he proceeded, there was an increase of $2,000,000 in exports to Germany, a decrease of $2,000,000 in exports to France and an increase of $5,000 to Austria. That, he said, was the contribution the Conservatives had made to world trade by their trade agreements. He charged they had completely neglected the development of world trade, that they had shut themselves behind a tariff wall and had adopted some sort of economic Imperialism which he feared was going to prove a delusion.

Discussing the proposed tax on gold production, Colonel Ralston said that it had created much alarm, that it discriminated against a particular industry and against particular sections of Canada. The low-grade mines would be paying a percentage beyond all reason when compared with other mines producing a higher-grade ore. The mines which were giving the most employment and were least able to pay would be taxed out of existence. In a word the tax "is absolutely unfair and inequitable and cannot possibly be justified."

Colonel Ralston then alluded to the reference by the Government to the Supreme Court of Canada of a question concerning the jurisdiction of the Tariff Board under Part 2 of the Act creating the Board. This reference was the sequel to a Tariff Board ruling respecting the imposition of a dumping duty on jute twine imported from Scotland, the Tariff Board having decided that such importations were not subject to special dumping duties since an Amendment to the Customs Act had exempted British goods from the imposition of special duties. Colonel Ralston argued that it was futile to make a reference to the Supreme Court in connection with questions which could have been decided by Parliament and claimed that the Government (Canada) had broken faith with the British Government. He made similar complaint about Government handling of another celebrated test case which came before the Tariff Board with respect to tin-plate. This was an appeal by Canadian importers of British tin-plate against the imposition of additional Customs duty on the ground that similar tin-plate was manufactured in Canada. In the course of the hearing it was shown that the only Canadian tin-plate mill at Ojibway had been closed down.

Summing up his allusions to the Tariff Board, Colonel Ralston said: "the Government for nearly four months have refused to follow the decision

of the Tariff Board with respect to the jute twine case. They have disregarded the decision of the Tariff Board of Oct. 30, until very lately. Secondly, they have refused to follow the decision of the Board in a similar case with regard to felt hats, which I have not mentioned. Thirdly, there is no opinion that an appeal lies from that decision. There is no opinion that the decision is not correct. Fourthly, in the tin-plate case the Government refused to accept and flouted the Board's decision for two months at least. I say this is wrong because it wears out business people. It is not fair to the commercial community. It is wrong because it is not in keeping with the Imperial Conference Agreements, and I say it is especially wrong because it discredits a Board appointed by this Government itself, and to which the people of Canada look for some stability in connection with tariff matters."

The debate was continued by James S. Woodsworth (Winnipeg N.-C.), Leader of the Co-operative Commonwealth Federation Party. He contended the effect of the Budget was to make the rich richer and the poor poorer and advocated the scaling down of debts to the point where they would have the same buying power as they had when the debts were contracted. He referred particularly to what he considered the injustice of bondholders and mortgage holders receiving from 40 to 48 per cent. more than they should, declaring the purchasing power of the dollar was that much greater in 1934 than five years previously.

Samuel Gobeil (Con., Compton, Que.) dealt at considerable length with the railway problem, quoting extensively from the speeches of Sir Wilfrid Laurier to support his contention that the Liberal Party was chiefly responsible for the load of debt the country had to carry. Then followed C. E. Bothwell (Lib., Swift Current) whose speech was largely devoted to the distribution and cost of gasolene. B. M. Stitt (Con., Nelson, Man.) was critical of the gold tax; W. H. Golding (Lib., South Huron) advocated tariff reductions; and F. W. Gershaw (Lib., Medicine Hat) discussed economic problems, concluding with an interesting reference to the sugar beet industry in Southern Alberta.

H. E. Spencer (U.F.A., Battle River) moved a Sub-Amendment deploring financial deflation, "unwise and inequitable tariff policies" and advocating Government control of national credit. This the Speaker ruled out of order because some of the matters raised already had been referred to the Banking Committee of the House. Finally, William Irvine (U.F.A., Wetaskiwin) moved an Amendment regretting "the undue delay in taking necessary steps leading to the distribution of our present abundance amongst the Canadian people."

The Hon. H. H. Stevens (Minister of Trade and Commerce) told the House in his address on Apr. 30 that while the Liberals were seeking to show that the favourable balance of trade was more or less a fiction it was widely known that trade statistics or, rather, statistics on the invisible balance of trade usually were arrived at from estimates. He also declared it was quite possible to have an unfavourable trade balance, and yet have a country financially sound. It was necessary to have a favourable balance or the country would be obliged to borrow to adjust the unfavourable balance. He warmly commended the Imperial Conference Agreements and declared that Canada had done all possible to observe the undertakings of those pacts. He defended the proposed tax on gold on the ground that extraordinary demands were being made upon the Federal Treasury because of unemployment relief needs and other requirements resulting from a depression and those who had benefited from the rapid enhancement in the value of gold were well able to contribute to a sorely pressed Treasury. Then, in his concluding sentences he stressed the need for giving greater consideration to human values. "The proper and courageous course for Canada," he said, "is not a right-about face as suggested by the hon. Member for Shelburne-Yarmouth (Colonel Ralston) but rather an aggressive but orderly advance, adjusting, as we proceed, our public attitude to these new factors in our business structure in such a manner as to secure to the pro-

ducers and the workers of this country a fair return for their efforts. To ensure that this be achieved Parliament must ever keep in mind as its dominating motive the overwhelming importance of human values, as distinct from an ever-increasing tendency to measure success by size and efficiency. Let Parliament hold the balances in such a way that genius and enterprise may receive a just reward but not at the cost of the happiness and well-being of our people."

Meeting charges from the Opposition that the Government had made little if any headway in solving the economic problems the Hon. R. J. Manion, M.D., C.M. (Minister of Railways and Canals), said the Liberals had refused to take cognizance of the fact that the depression was of universal extent and that Canada could not move much more rapidly out of the impasse than the other nations. Dealing with trade and the importance of a favourable trade balance Dr. Manion said: "It is absolutely essential, if we are to pay our outside debts, that we must export more than we import. Fortunately, the balance of trade which, when hon. Members opposite took office, was very markedly against us, has been changed to a balance in our favour. In 1930 we bought $103,000,000 more than we sold. Last year we had a reverse condition when we sold to the outside world $152,000,000 more than we bought from it, making a total change in trade figures of $255,000,000, plus gold amounting to about $90,000,000, most of which we also exported." Dr. Manion reminded the Opposition of the legislation introduced earlier in the Session calculated to help Canada on the road to recovery. He mentioned the Marketing Bill, the Central Bank Bill, the public works programme and the Bill to enable farmers to make more workable debt adjustments. He concluded by declaring that railway earnings showed an upturn, employment had improved, farm and security price levels had risen, construction contracts had increased, the various industries had enlarged their production and export trade was improving steadily. "Before the Election in a year or so," said Dr. Manion, "the people of Canada will reach the sunlit heights of full prosperity again and when we go to the country my hon. friends opposite will come back to sit on the same side of the House as they did after the last General Election."

The debate was concluded and the vote taken on May 15, the Irvine Amendment being negatived by 157 to 14, all the Conservatives and the Liberals voting together. Hon. J. C. Elliott (Lib., West Middlesex) before the main Motion was put, sought to move that "in the opinion of this House the present Administration no longer enjoys the confidence of the country" but the Speaker said the Amendment was out of order under Standing Order 49. The main Motion was then carried on division and the House went into Committee of Ways and Means.

Main and Supplementary Estimates. The Main Estimates for the financial year ending Mar. 31, 1935, were presented to the House on Jan. 26, 1934. The total appropriations asked for were $343,648,273 as compared with $360,738,210 in the preceding fiscal year (1933-34) and the Minister of Finance was complimented by public bodies and the Press on the evidence of stern economy.

Supplementary Estimates calling for a Total Expenditure of $8,274,739 were presented to the House on June 18; so that the total of Main and Supplementary Estimates was roughly $8,000,000 less than the appropriations in the like period of the year before. In the Supplementaries $500,000 was voted for the Natural Products Marketing Act; $600,000 for expenses in connection with the Dominion Franchise Act; $250,000 for the Canadian Radio Broadcasting Commission and $100,000 for the 400th Anniversary of the Landing of Jacques Cartier in Canada.

The following is a summary of the Main Estimates for the fiscal year ending Mar. 31, 1935, together with a comparison for the preceding fiscal year:

Service	Estimates 1934-35	Estimates 1933-34
Interest on Public Debt, including Sinking Funds	$141,494,853.65	$142,273,443.55
Charges of Management	782,392.00	909,081.00
Civil Government	9,566,295.66	10,099,378.16
Administration of Justice	2,198,900.00	2,211,300.00
Penitentiaries	2,833,850.00	2,941,400.00
Legislation	2,193,194.25	2,223,210.25
Agriculture	6,510,620.00	7,368,924.66
Immigration and Colonization	1,252,288.00	1,436,000.00
Soldier and General Land Settlement	1,004,622.53	1,243,326.85
Pensions	44,112,227.55	47,092,321.10
Superannuation	1,006,600.00	1,072,800.00
National Defence	10,937,260.11	11,307,928.68
Aviation	1,992,000.00	1,697,000.00
Railways and Canals—Income	563,192.00	828,030.00
Public Works—Income	9,187,030.88	12,482,562.38
Mail Subsidies and Steamship Subventions	2,073,600.00	2,242,930.00
Ocean and River Service	2,814,025.00	3,021,550.00
Lighthouse and Coast Service	2,126,270.00	2,442,763.00
Scientific Institutions	620,640.00	742,630.00
Steamboat Inspection	127,108.00	136,808.00
Fisheries	1,603,050.00	1,856,000.00
Subsidies to Provinces	13,686,177.12	13,686,177.12
Mines and Geological Survey	446,002.00	519,780.00
Labour	328,000.00	334,500.00
Public Printing and Stationery	127,250.00	147,000.00
Indians	4,173,500.00	4,407,850.00
Royal Canadian Mounted Police	5,615,595.75	5,615,595.75
Government of the Northwest Territories	394,925.00	417,425.00
Government of the Yukon Territory	102,000.00	115,000.00
Dominion Lands, Parks, etc.	1,595,906.00	1,744,129.00
Pensions and National Health	10,334,500.00	11,257,500.00
External Affairs	676,829.42	700,332.05
Miscellaneous	8,730,032.00	9,452,563.62
National Revenue	9,559,698.00	10,404,994.00
Railways and Canals—Collection of Revenue	2,400,000.00	2,738,720.00
Public Works—Collection of Revenue	656,000.00	711,500.00
Post Office	29,621,669.00	30,619,375.00
Trade and Commerce	4,095,669.10	4,996,031.50
Total Consolidated Revenue	$337,543,773.02	$353,497,860.67
Railways and Canals—Capital	$ 839,500.00	$ 2,959,500.00
Public Works—Capital	220,000.00	350,000.00
Public Works—Capital—Marine	4,985,000.00	3,856,350.00
Total Capital	$ 6,044,500.00	$ 7,165,850.00
Total Consolidated Revenue and Capital	$343,588,273.02	$360,663,710.67
Adjustment of War Claims	60,000.00	74,500.00
GRAND TOTAL	$343,648,273.02	$360,738,210.67

Dominion Finances. The following Statement issued by the Department of Finance (for "The Refunding of Government Loans" see statement under first Sub-Section of this volume) under date of Oct. 17, 1934, gives (1) the Public Debt of Canada and (2) a comparative table of Ordinary Revenue and Ordinary Expenditure for the fiscal years ended Mar. 31, 1933 and Mar. 31, 1934:

The Public Debt of Canada

Liabilities

	1933 $ cts.	1934 $ cts.	1933 $ cts.	1934 $ cts.
FUNDED DEBT—				
Payable in Canada	2,055,355,378.53	2,175,527,722.04		
Payable in London	311,685,372.43	384,685,372.43		
Payable in New York	300,888,900.00	300,899,900.00		
			2,667,929,650.96	2,861,112,994.47
Temporary Loans			50,000,000.00	
Dominion Notes			180,926,882.19	172,617,921.69
Bank Circulation Redemption Fund			6,584,813.08	6,486,355.30
Post Office Savings Banks			23,920,915.27	23,158,919.39
Post Office Account			2,184,456.28	3,570,744.29
Government Annuities, Insurance and Superannuation Funds			98,500,189.42	109,481,506.68
Trust Funds			18,881,089.68	18,655,313.52
Province Accounts			11,919,982.81	11,919,973.07
Interest matured and outstanding			1,606,579.06	1,683,590.78
Miscellaneous and Banking Accounts			2,594,682.72	4,441,562.31
			3,065,049,241.47	3,213,128,881.50

Assets

	1933 $ cts.	1934 $ cts.
Sinking Funds	66,001,724.51	69,406,434.43
Specie Reserve	69,875,517.53	71,406,030.32
Loans to Banks under Finance Act	48,444,000.00	40,144,000.00
Provincial Housing Loans	10,382,187.72	10,168,687.72
Loans to Harbour Commissioners	79,645,083.93	81,321,735.91
Loans to Provinces	38,667,904.20	51,782,930.91
Loans to Foreign Governments—		
Government of Greece ... $6,525,000.00 $6,525,000.00		
Government of Roumania. 23,969,720.00 23,969,720.00		
	30,494,720.00	30,494,720.00
Canada Farm Loan Board	8,087,115.00	8,503,358.00
Soldier and General Land Settlement	47,711,084.30	45,219,131.87
Province Accounts	2,296,166.04	2,296,156.30
Miscellaneous and Banking Accounts	66,962,912.08	72,407,555.42
	468,568,415.31	483,150,740.88
Total net debt Mar. 31, 1933 and Mar. 31, 1934 (no credit has been taken for non-active assets)	2,596,480,826.16	2,729,978,140.62
Total net debt Mar. 31, 1932 and Mar. 31, 1933	2,375,846,172.28	2,596,480,826.16
Increase of Debt	220,634,653.88	133,497,314.46

Ordinary Revenue

	Total April 1 to Mar. 31, 1933 $ cts.	Total April 1 to Mar. 31, 1934 $ cts
Taxation Revenue—		
Customs Duties	70,072,932.05	66,305,356.09
Excise Duties	37,833,857.91	35,494,219.85
War Tax Revenue—		
Excise Tax (Sales, Stamps, etc.)	82,191,575.94	106,575,574.71
Income Tax	62,066,696.84	61,399,171.52
Miscellaneous Taxes	2,153,738.91	2,077,227.07
Total Taxes	254,318,801.65	271,851,549.24
Interest on Investments	11,220,988.58	11,148,231.96
Post Office	30,928,317.35	30,893,157.22
Dominion Lands	458,934.20	415,729.12
Canada Grain Act	1,444,839.98	1,235,620.84
Miscellaneous	8,265,108.35	8,517,711.73
Total Ordinary Revenue	306,636,990.11	324,062,000.11
Special Receipts and Credits on Consolidated Fund	4,489,339.09	409,270.75
Total	311,126,329.20	324,471,270.86

Ordinary Expenditure

Interest on Public Debt	134,999,069.17	139,725,416.68
Subsidies to Provinces	13,677,384.32	13,727,564.96
Soldier Land Settlement	818,325.27	810,419.65
Pensions and National Health	55,617,752.20	53,296,988.53
National Revenue	10,846,109.12	10,341,488.19
Post Office	31,607,403.95	30,553,768.28
National Defence	13,965,576.85	13,420,726.23
Agriculture	8,066,371.61	6,995,768.43
Public Works, chargeable to Income	13,108,012.70	10,827,171.08
Trade and Commerce	7,383,611.36	6,986,528.77
All other Expenditure	68,438,653.57	59,962,705.42
Total Ordinary Expenditure	358,528,270.12	346,648,546.22
Special Expenditure—		
Unemployment Relief Act, 1930	548,398.90	4,154.86
Unemployment and Farm Relief Act, 1931	17,047,815.70	563,876.28
Relief Act, 1932	19,124,720.42	6,948,191.78
Relief Act, 1933	.....	28,345,830.58
Relief Act, 1933—Agricultural Stabilization Fund	.....	36,258.00
Wheat Bonus	1,811,471.82	.....
Adjustment of War Claims	239,341.47	47,571.35
Discount and expenses of Loan Flotations	1,639,153.83	2,549,980.79
Miscellaneous charges to Consolidated Fund—		
Canadian National Railways deficit, calendar year 1933—		
System, Ex. Eastern Lines	53,422,661.67	52,263,819.05
Eastern Lines	.....	*6,691,569.36

*Under Special Expenditure is shown the amount of $6,691,569.36 representing the loss on the Canadian National Railways Eastern Lines. The corresponding loss in 1933, namely $8,716,751.06, is shown under Ordinary Expenditure under the heading of "All Other Expenditure".

Ordinary Expenditure—*Continued*

	Total April 1 to Mar. 31, 1933 $ cts.	Total April 1 to Mar. 31, 1934 $ cts.
Government's contribution to Superannuation Fund No. 5	2,269,986.15	1,985,563.89
Miscellaneous	680,735.04	2,297,017.64
CAPITAL EXPENDITURE—		
Public Works	3,908,212.78	3,778,292.61
Railways and Canals	4,639,941.86	2,712,040.25
LOANS AND ADVANCES NON-ACTIVE—		
Loans to Canadian National Steamships	—1,382,503.16	—14,064.17
Loans to Harbour Commissions	4,897,314.36	2,109,836.83
Loans to Canadian Pacific Railway (Unemployment Relief)	1,447,222.71	1,000,000.00
Miscellaneous non-active accounts	.....	100.00
WRITE-DOWN OF ASSETS—		
Loans to Previous Years written down as non-active—		
Canadian National Railways	41,121,216.41	.....
Sundry Harbour Commissions	21,817,023.00	.....
Grand Total Expenditure	531,760,983.08	457,968,585.32

House of Commons, 1934 Debates on Legislation: The Natural Products Marketing Bill

The most protracted and contentious debate of the 1934 Session, not excepting the discussion on the Budget proposals and the discussion of the Address-in-Reply to the Speech from the Throne, marked the course of the Marketing Board legislation in the House and in Committee of the Whole. It revived the ancient issue of the relative powers of Parliament and of the Executive, provoked many references to the NRA in the United States and the regimentation of business in that country and served to focus public attention in Canada upon economic questions and the recovery programme of the Bennett Ministry. It occupied the time of the legislators for more than two of the five months during which they were in Session. The Resolution upon which the legislation was to be based was introduced in the House on Mar. 15 by the Hon. Robert Weir, Minister of Agriculture, and the measure bade its final *adieu* to Parliament on June 28 on which day the Government declined to concur in a Senate Amendment whereby wheat would be excluded from the operation of the Act.

Unfair marketing practices on the part of some of the primary producers and the consequent inability of others to obtain prices for their products, which would at least compensate the labour and money cost of production, led a number of these interests to approach the Federal Government and seek from Parliament legislation to bridge the difficulty of inter-provincial and export trade and to establish a central marketing authority which could give them the necessary advice and exert the necessary disciplinary power without which any marketing scheme would be ineffective. The exercise of this power involved regulating the flow of products to a market, the withholding of products from a market, discouragement of production when deemed advisable and, to an extent, price-fixing.

The wide powers to be conferred by the legislation upon the Federal Marketing Board and upon the Governor-in-Council seemed to the Opposition excessive and dangerous, and it was largely on this constitutional issue that the Liberals, aggressively led by the Rt. Hon. W. L. Mackenzie King, vigorously assailed the measure and stubbornly resisted its progress. Only one Liberal, the Hon. W. R. Motherwell, a former Minister of Agriculture, supported the measure although J. L. Ilsley, who represented the Annapolis

Valley apple growers of Nova Scotia, rather favoured the legislation in its early stages. He saw merit in its principle but questioned the proposed means of application. With hardly a dissenting voice the C.C.F. group commended the Bill and fought for it throughout the Session, and it was the spectacle of the radical group in the House standing behind a Conservative Government that brought ridicule and censure from Mr. King and his followers.

As this was a new venture in the direction of governmental intervention in private business the Ministry proceeded cautiously with the legislation. Emerging from the many criticisms of the measure during the prolonged debate on the Motion for second reading were a number of useful suggestions which were acceptable to the Government and, about the middle of May, or a month after the Bill's introduction, a lengthy list of Amendments were submitted by Mr. Weir. At a later stage in the debate when Government supporters became impatient over what they charged were the captious criticisms of the Opposition and over what they also charged was the obvious desire of the Liberals not only to delay but also to obstruct, the Liberals retorted that the Government had recast the measure to such an extent as to almost destroy its identity and that if when ultimately passed it appeared to be an effective Bill thanks should go to Opposition criticism.

When the House was called upon first to consider the Resolution on which the measure was to be based (Mar. 26) Liberals urged that this legislation should be referred to a standing or special committee before which the various interests in the country to be affected could be called, but the Prime Minister objected to such procedure. When he was reminded by Mr. King and other Members of the Opposition that it had been a practice of Parliament to have such important and extensive measures dealt with by a committee Mr. Bennett replied that it did not necessarily mean that the practice was proper or Parliamentary. Then after Liberals complained of what they called the "meagreness" of the information about the measure given by Mr. Weir on the Motion for first reading the Minister of Agriculture briefly outlined the principal features of the legislation.

"The first fundamental principle embodied in the Bill," said Mr. Weir, "is that if a representative number of producers of any commodity have a scheme which they think will be in the interests of the marketing of their products and feel that their numbers are sufficiently representative they approach the Federal Marketing Board or the Minister designated to administer the Act, and submit their scheme. In this respect the Bill is flexible, and it was felt that flexibility was essential because of the diversity of the problems connected with marketing. Second, it will work in co-operation by mutual consent with Provincial boards or local boards set up within the Provinces". Then during the debate on the Motion for second reading of the Bill the Minister of Agriculture declared: "I am not one of those who feel that the spread between what the producer gets and what the consumer pays is due to the profits or costs of the trade alone. I believe that we as producers are to blame to a great extent for this spread. If the co-operative and other organized trades were certain that they could receive a certain quality of goods in a uniform volume, a great deal of the cost entailed under present conditions would be eliminated. The trade could look ahead and build up its supply so that it would have a uniform quality at its disposal, whereas at present it is not certain that it can get this supply from the producers. As I say, the producers themselves are to blame to a great extent for the spread which does exist". Co-operative agencies were formed, he stated, to reduce this spread but, for a number of reasons which he enumerated this movement failed, and it was because of the failure of the co-operatives to cut down the spread that the new marketing plan was conceived. Power was given in the Bill, however, to make certain that undue profits would not be taken by those engaged in the marketing. Mr. Weir concluded this speech by saying that his hope that the debate would not be partisan had been dashed by the strictures of Mr. King.

After Mr. Ilsley expressed himself as favourable to the principle of the legislation to the extent to which it would aid the apple exporters of the Annapolis Valley, but dubious about some of the provisions of the Bill, and

after Grote Stirling, the Conservative Member for the apple-growing constituency in British Columbia (Yale) and who, later in the year, was taken into the Cabinet, had told the House how the measure would benefit the fruit exporters of his Province and those who sold to other Provinces of the Dominion, J. S. Woodsworth, head of the C.C.F. group, while favourable to the idea of a planned control of marketing, wanted to be first convinced that the measure was in the interests of the producer and of the consumer. In a later stage of the Session his conversion to the legislation became apparent when he and his group voted for it.

The first unmistakeable evidence of the determination of the Liberals to fight the Bill to the last ditch came on Apr. 19 when Mr. King at the conclusion of a lengthy attack moved an Amendment to Mr. Weir's Motion for second reading. The Amendment expressed approval of the principle of legislation to facilitate the orderly marketing of natural products but it censured a compulsory measure which would delegate to "unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation and which confers upon a Minister of the Crown and upon the Governor-in-Council unprecedented authority and unusual powers to restrict production." After a lively discussion on the point of order raised by the Hon. H. H. Stevens (Minister of Trade and Commerce), Mr. King's Amendment was ruled out of order and when the ruling of the Speaker was challenged the decision of the Chair was upheld by a vote of 103 to 52, the C.C.F. group voting with the Government to sustain the Speaker's ruling.

Denouncing the coercive element in the legislation, W. H. Moore (Lib., Ontario) had this to say when the Bill was before the Committee of the Whole House: "When you introduce coercion co-operation ceases. Something that is lovely becomes unlovely. Then when you create these producing units and give them their respective jurisdictions you are faced with the difficulty that they had to face and, I presume, they faced it honestly in Russia when it was officially announced in that country, 'The exchange of goods must be carried out by the State'. That is a natural consequence. The nature of this legislation is known throughout the world. It is a half-way house. The cry of 'control' and of 'planned industry', retaining private property is a cry that appears to please everyone, but it will not work. The inevitable end is state Socialism."

In his many speeches in criticism of the measure Mr. King objected to the wide powers to be given to the local marketing boards, to the Federal Board, to the Minister of Agriculture who was to administer the Federal Act and to the Governor-in-Council; he was severely critical of the penalty provisions which he thought too drastic, especially when, as he charged, the agency fixing the penalty was not the agency defining the offence; he scored the provisions which made for restriction of production and which to an extent involved price-fixing. The Liberal Leader, too, was not persuaded that there was any safeguard in the legislation for the consumer. On this point he said in his speech on the Motion for second reading: "Here we are in this Parliament representative of all classes of the community, representative of the consumers of Canada as a whole and we are being asked by the Government in this legislation to allow all matters relating to the regulating of marketing, and questions that affect the prices and supply of commodities to be dealt with by these interested occupational groups and without a single safeguard being provided to protect the interests of the consumers. In theory and practice alike this Bill leaves out of account the responsibility of Members of Parliament to all classes in the country." Mr. King moved an Amendment to the Motion for third reading of the Bill which called for reference of the measure back to Committee of the Whole to make further changes that would remove cause for the remaining Liberal objections. At the same time he declared that the changes that had been made in the Bill and on the Motions of Liberals had made a distinct improvement in the legislation. His Amendment, however, was defeated by a vote of 93 to 44, the C.C.F. Members continuing to support the Government. Before the Motion for third reading was

voted upon the Prime Minister (the Rt. Hon. R. B. Bennett) made his only extensive speech on the measure.

After presenting arguments to support his contention as to the constitutional soundness of the legislation and to show that the Liberal objections about the compulsory element in the Bill could not be seriously considered the Prime Minister scored the Members of the Opposition for the obstinacy of their resistance to this legislation which he deemed essential to put the primary producers on their feet. He also denied the charge that the Conservative Party was violating its traditional principles in bringing in legislation providing for the regulation and control of the marketing of natural products. He concluded with these words: "I have said sufficient to indicate the shallowness of the arguments that have been made against this measure. I have quoted the authorities of the courts of last resort to show that arguments of that kind are not valid, and I commend this Bill to this House. I do so because the Bill affords a practical illustration of the efforts that have been made by a Party not bound by the shibboleths of the past but accepting only the history of the past for the purpose of guiding them aright in the pathways they hew out for the future. I commend the Bill also because we believe that the true measure of faith of the Conservative Party is shown by our ability and willingness to accept, in the light of experience and knowledge, those principles which we know are sound and which involve, as they do, the lopping off of much that has gone before in order that the world may progress and civilization prevail."

Then followed a final speech by the Hon. J. L. Ralston (Lib.), a former Minister of National Defence, who scored the Bill's autocratic and compulsory tariff feature and its price spread feature, stating that the tariff feature "does not belong to this Bill." He concluded with an admonition to the Prime Minister: "I say to my rt. hon. friend in all seriousness that if he passes this Act and attempts to enforce it in the Dominion he will find that his destruction will be certain and sure."

The Bill was given third reading on June 7 by a vote of 85 to 35, the C.C.F. Members voting with the Government, also Mr. Motherwell (Lib.) who while voting with his Party in previous divisions on the measure, supported the legislation on the final and crucial division. Then on June 28 on the Motion of Mr. Weir the House refused to accept a Senate Amendment to the Bill which would have removed wheat from the possible operation of the measure, and the Motion for non-concurrence was carried without opposition.

The products to which the Natural Products Marketing Act was applicable included animals, meats, eggs, wool, dairy products, grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of agriculture and of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that might be designated by the Governor-in-Council in accordance with the provisions of the Act.

The legislation provided what might be called permissive powers which might or might not be exercised. Until they were exercised the provisions of the Act would not become effective as law. These powers were centred in the Governor-in-Council, the Minister administering the Act, a Dominion Marketing Board and local boards which might be created under the Act. The four principal features in the Act were:—

1. Provision for the formation of local boards to exercise powers, under the supervision of the Dominion Board, which might be delegated to them by the Dominion Board, for regulating the marketing of natural products produced or owned by those who came within the control of such boards. This provision was made to enable those who produce and market natural products to constitute control machinery of their own through which they might regulate the movement, direct the sale, without the power of buying and selling or of fixing prices, and determine the practices that should prevail in the marketing of such products. Local boards might apply regulations

to produce in intra-provincial trade and export trade. This power was provided by reciprocal Federal and Provincial legislation.

2. Provision for the regulating of marketing and the marketing of natural products in inter-provincial or export trade, by the Dominion Marketing Board directly or in co-operation with local boards or through any agency that it might establish. This provision was made in order that action might be taken when it seemed called for in cases where local board organization did not exist or when it covered only part of the situation, also in cases that would be extremely difficult, perhaps impracticable, to organize satisfactorily under local boards, and also in cases of emergency market conditions which seemed to call for special action.

3. Provision under Order-in-Council to regulate or restrict the importation into Canada of any natural product which entered Canada in competition with a regulated product and to regulate or restrict the exportation from Canada of any natural product. This provision was made because of the prevailing unsettled conditions in trade and in order that it might be possible to deal with situations which might arise through conditions in the markets of other countries or through action which other countries might take concerning markets and marketing.

4. Provision for the investigation of marketing conditions and practices in connection with natural products and the power to prosecute every person who, to the detriment or against the interest of the public, charged, received or attempted to receive any spread that was excessive or that resulted in undue enhancement of prices or otherwise restrained or injured trade or commerce in the natural or regulated product. This provision was made in the interests of producers, marketers and consumers and for the following purposes: (a) to obtain reliable information as to costs of marketing; (b) to effect economies in marketing; (c) to prevent exploitation and injury.

The Act provided for the payment out of moneys to be appropriated by Parliament for three types of expenditure: (a) the operating expenses of the Dominion Board which would include salaries of the members of the Board and of such technical, professional or other officers and employees as might be employed by the Board, investigation costs and incidental expenses; (b) assistance in the organization of local boards; and (c) expenditure incurred by the Board directly or authorized by the Board in connection with the regulating of marketing or in the marketing of, natural products which might be dealt with under marketing schemes which were recommended by the Minister and approved by the Governor-in-Council and which had to do with special situations in inter-provincial or export trade not covered by local boards. It also provided that a fund might be established by the Dominion Board in connection with any scheme of marketing regulation for the purposes of such scheme by imposing charges and tolls in respect of the marketing of the regulated products to be paid by persons engaged in the production or marketing of such product as the Board decided. Local Boards might be authorized to act as the agent of the Dominion Board in collecting and disbursing the charges or tolls imposed. A fund so established might be utilized for the purposes authorized in the scheme, including the creation of reserves.

The Unemployment Relief Act, 1934. This measure was passed only after a prolonged and stubborn fight in the Commons, Mr. Mackenzie King (Liberal Leader) and his followers, maintaining a sustained attack upon the Bill, which was before the House from Mar. 22 until Apr. 17, when it received third reading and went up to the Senate. As in previous years, the Liberals concentrated their fire upon Section 2 of the Act—the celebrated "peace, order and good government" clause which conferred upon the Dominion Cabinet very wide powers in the event of a national emergency. The Prime Minister and the Minister of Labour (Hon. Wesley A. Gordon)—the latter was piloting the Bill through the House—fought back at the Opposition challenging them to cite a single instance in which the Government had abused their powers under previous Relief Acts. After the prorogation of Parliament, Mr. Bennett invited the Prime Ministers of the nine

Provinces to Ottawa for a conference with a view to arranging a more rigid control of expenditures upon relief, which had cost the Federal Government $140,000,000 in four years up to the Autumn of 1934. New agreements were negotiated with the Provincial statesmen as a result of which the Dominion's contributions on account of direct relief were reduced by approximately 20 per cent. up to the end of the fiscal year 1934-35. This decrease was foreshadowed by the Minister of Labour, speaking in the Commons on Mar. 22, when he moved the adoption of a Resolution upon which the Relief Act, 1934 was based. Mr. Gordon also announced that owing to improved conditions it would not be necessary for the Dominion to guarantee any loan of a private company, consequently, the clause authorizing such guarantees in 1933 had been dropped from the new Bill. The Minister stated that while for the previous year the Relief Act fixed the amount likely to be expended for relief at $20,000,000, the new measure would contain no specified amount. Mr. Mackenzie King promptly characterized this as a backward step, giving the Government a "blank cheque" to spend as much as they liked. The Resolution was approved and the Bill received first reading.

When the Bill came before the House for second reading on Mar. 26, Opposition Members launched a fierce assault upon it, alleging there had been in preceding years "wanton expenditures," looting of the Federal Treasury by Provincial and municipal organizations, autocratic administration and financial favoritism for corporations. "The way in which this Government has wasted public money on unemployment relief is shocking beyond all words," declared Mr. King (Liberal Leader) in the midst of his indictment of the Government for alleged failure to check Provincial Governments in the matter of relief expenditures. "Every single canon that exists with respect to the control of Parliament over expenditure of public money has been violated and set at naught by honourable gentlemen opposite. They are taking away from Parliament the appropriating of public moneys, they ask for this blanket authority to legislate and spend; and, in addition, even when they have come to Parliament and asked for moneys they have not put in an estimate, and given to the House the reasons on which their estimate is based." He charged there had been four years of "drift," and still the "dole" for another year; $110,000,000 had been spent and another $52,000,000 advanced in loans or guarantees, and still there was no national policy of any kind. The Government, he said, at the end of their term, had nothing to show for their efforts "but this vast expenditure and waste." Flourishing a Report by the Auditor-General, reflecting grave irregularities by municipalities and the Provinces, Mr. King demanded detailed audits of unemployment funds.

The following were some of the instances of irregularities enumerated in the Auditor-General's Report, none of which were localized: the Dominion was charged with maintenance costs on highways, administrative costs and salaries of permanent officials; excessive rentals were charged for machinery; trucks were billed as hand labour; gasolene taxes paid to the Provinces were submitted in accounts for Federal contributions; cities charged the Dominion for street maintenance; civic salaries were paid by the Dominion; one municipality submitted the same pay list twice; equipment for a university, costing $18,000, was charged against the Dominion; sixty-two pay sheets, involving $96,000, could not be verified because vouchers were not available; a pay sheet for 25 men was signed by one man; another pay sheet was signed in the same handwriting for different men.

The debate was adjourned without any reply that day from the ministerial benches, but when the discussion was resumed on Apr. 9, after the Easter recess, the Prime Minister (Mr. Bennett) proposed a thorough investigation by the Public Accounts Committee. The Liberals, however, did not press the charges and the Committee never started the inquiry.

"If a Province has defrauded us we will get the money back," promised the Prime Minister, emphasizing his words by tapping his desk, while a silence fell across the Chamber. At the same time, Mr. Bennett laid at the door-step of the Auditor-General, Georges Gonthier, blame for any lack of

audit control. The Dominion official, he said, had failed to do his duty in making audits although requested to do so by the Government. Defending the wide power sought by the "peace, order and good government" clause of the Relief Bill, the Prime Minister intimated this was needed to safeguard the *veto* power of the Dominion and its taxation prerogatives against unconstitutional inroads from the Provinces. At the same time, the Prime Minister said that the British Columbia Special Powers Act would not be *vetoed* by the Dominion. Disallowance would be playing into the hands of the Pattullo Government, the Attorney-General of the British Columbia Government having practically invited the Federal Government to disallow the Act in order that he might have a grievance.

Touching on the proposed industrial board for Alberta, with its codes, wage-fixing and fair business practices, established by bureaux, the Prime Minister said "We would be derelict in our duties if we did not provide in this legislation safeguards that are essential to enable us to protect the business of this country if the necessity arises." Under the "peace, order and good government" clause of the Relief Bill the Federal Government could issue Orders-in-Council without constitutional limits and disregarding all existing laws and statutes, it was stated.

Parliament had adjourned for Easter without passing the Bill and the Dominion Treasury was without authority for more than two weeks to pay accumulated relief bills, the 1933 Act having expired Mar. 31, 1934. After a long deadlock, the new measure passed through Committee stage on Apr. 13 and was given third reading four days later by a majority of 46. It was quickly passed by the Senate and received the Royal assent.

The blank cheque feature was never so essential, declared the Prime Minister during the Committee stage. He pictured a general scramble among the Provinces for a share of the appropriation if a definite limit was placed causing a situation where "the test shall not be necessity but the ability to get." Dropping his voice to a whisper, the Prime Minister said "No one has suggested in four years there has been on the part of this Government any abuse of authority or usurpation of power or any effort to do anything else but to use these powers in the interests of the country as a whole." Mr. Bennett added that there were great experiments in the world which were bound to have their effect on Canada and he wished to be prepared, to be clothed with power to act promptly in the interests of Canada. "I ask this House to accept my assurance that if I did not believe it was essential I would not ask for this power," he said. He promised he would consult with the Liberal and Progressive Leaders in the event of a national emergency arising.

Farm Indebtedness and Extension of Credit. Another large item in the Government's recovery programme was the legislation to ease the burden of farm indebtedness by facilitating compromises between farmers and their creditors (The Farmers' Credit Arrangement Act) and by a complementary measure to facilitate and increase the extension of credit to farmers (The Canadian Farm Loan Act Amendment). The Prime Minister (Mr. Bennett), who personally piloted these Bills through the House and who had given notice of the two Resolutions on May 16, explained the chief purposes of the legislation to the House on June 4. In stating that the first of these was to secure a cheap and speedy method by which a farmer in difficulty could provide some arrangement or composition with his creditors, he pointed out that it was the Bankruptcy Act in the Dominion Statute Books which had to be considered in dealing with the problem of bankruptcy and not bankruptcy measures of the Provincial Legislatures. He stated that in upholding the validity of the Ontario Assignments Act (enacted during the Mowat *régime*) which had been challenged, the Judicial Committee of the Privy Council "also indicated that if the Dominion occupied that field at any time under the exclusive jurisdiction conferred upon this Parliament to deal with bankruptcy and insolvency, thereupon the jurisdiction of the Provinces would be ousted." Parliament, he said, in subsequently enacting the Bankruptcy Act, cleared the field for such legislation as that then under discus-

sion. Continuing, the Prime Minister stated that bankruptcy proceedings had come to be regarded with some suspicion both by the farmers and by those with whom the farmers dealt and, for that reason, it had been decided that the general provisions of the Bankruptcy Act should not apply but, instead, there should be appointed a special receiver, rather than an official receiver, whose duty it would be to assist in reaching a composition. The chief object of the legislation was to keep the farmer on the farm. If the farmer and his creditors, in the first instance, were unable to determine the basis of a composition of the debts then in each Province there was to be utilized the services of a court of review to consist of a Judge and of a representative of the farmer and another appearing for the interests of the creditor or mortgage company. The whole plan was described by Mr. Bennett as "simple, inexpensive and informal." In a few remarks the Liberal Leader, Mr. Mackenzie King, commended both the object and the methods of the legislation. It was praised by the C.C.F. Members and, in fact, little criticism was heard throughout the days the Bills were before the House. Most of the discussion took the form of questions seeking further light and of suggestions looking toward improvement. Asked by an Alberta Member if the legislation contemplated aid to the urban debtor, the Prime Minister said that there were insurmountable obstacles to making the measures apply to other than the rural areas. Answering other questions he gave a further and lucid explanation of the aim and the operation of the proposed Act: "When a farmer is in a difficult position it is contemplated that he and the official receiver shall get together and determine in a simple way, in view of all the circumstances, what the man should be able to pay. He, himself, with the assistance of the receiver and his creditors, will determine what he can do. Then, when the document is executed, it has the effect of law if all the parties agree to it. But if some do not agree, it may be confirmed in the manner provided for by the Act. If, notwithstanding all this, the farmer still thinks he really can not do as much as has been suggested by his creditors but, still being honest in intent, thinks he can do something rather than abandon his home, the Court of Review is set up as a simple and informal tribunal to determine whether or not what the farmer suggests he may be able to do to meet the claims of his creditors is a fair composition and adjustment." The Hon. W. R. Motherwell (Lib.) thought that provisions might be in the legislation which would determine that if a debtor was honest, had not tried to flee from liability and could establish the best of *bona fides*, he could thereby be relieved of his debt burden. The Prime Minister replied that while the prospect of himself becoming a great emancipator from debt, as Mr. Motherwell had pictured Lincoln an emancipator from slavery, the constitution of Canada would not countenance a Federal law saying that a certain private individual's debt no longer existed. This measure was given third reading in the House on June 19 without a division and on June 29, on the Motion of Mr. Bennett one minor Amendment by the Senate to the Bill was accepted and another change rejected.

Dealing with the Amendments to the Canadian Farm Loan Act, as a measure complementary to that previously dealt with (The Farmers' Creditor Arrangement Act) the Prime Minister explained that one new provision would provide for the sale by the Canadian Farm Loan Board of debentures to enable the business of the Board to be carried on so that it might meet the conditions arising out of the widespread farm indebtedness and to remove the inability of those who paid off their long-term mortgages to secure reasonably cheap money. The measure also provided additional advances to those already provided for in the provisions of the Canadian Farm Loan Act to enable a scheme of composition or arrangement, while a final provision was that additional advances might be secured in Provinces where there were chattel mortgages by a charge upon personal property in order that the farmer who had entered into a scheme or arrangement with his creditors might have some small additional capital with which to commence the struggle back to prosperity. During discussion of this amending Bill Henry E. Spencer, an Alberta C.C.F. Member, complained that the Western farmer had looked forward with high expectations to the benefits that would accrue from the Cana-

dian Farm Loan Act as originally passed but that he had been deeply disappointed, for the legislation was not sufficiently flexible. "When it began to operate," said Mr. Spencer, "it was found that the regulations were more strict than those imposed by any banking institution or mortgage corporation." Concluding, he stated that if the proposed measure were to be looked to as an aid to the other new legislation it would have to be subjected to many alterations. Third reading was given to the Bill on June 19 and on June 29 a minor change made by the Senate was concurred in by the House.

Five months after the passing of the Act, which was being administered by M. A. MacPherson, former Attorney-General of Saskatchewan, 900 applications had been received at Ottawa and 3,000 had been filed throughout Canada by debt-burdened farmers seeking relief and to whom, according to Mr. MacPherson, the Act had given new hope. The Hon. E. N. Rhodes (Minister of Finance) in announcing, on Dec. 3, 1934, the results, to date, of the Act, pointed out that the farm debt of Canada exceeded one billion dollars (*The Globe,* Toronto, Dec. 4).

The Public Works Construction Act. Another measure calculated to assist in economic recovery was submitted to Parliament on June 26 when the Hon. Hugh A. Stewart, Minister of Public Works, explained the purposes of the Public Works Construction Act which called for the expenditure of about $40,000,000 on useful undertakings throughout the Dominion. He explained that the Bill had the threefold purpose of providing employment over a considerable period of time for those engaged in all lines of trade and activity connected with the construction business, of providing useful public services in the way of buildings and other structures, and of stimulating others to go and do likewise in connection with the building trades. The Hon. John C. Elliott (Lib.), a former Minister of Public Works, commended the principle of getting away from the policy of unemployment relief and adopting the principle of providing employment through public works. Mr. Elliott objected to the omission to provide that tenders be called for by public advertisement. R. B. Hanson, later appointed Minister of Trade and Commerce, commended the Government for this step away from the dole and expressed the hope that the work would be spread amongst the local contracting firms instead of allowing a major share of it to go to a few large companies. The Hon. Fernand Rinfret, a Montreal Liberal and a former Mayor of that city, urged that tenders be invited by public advertisement and then he took the occasion to tell the Government of Montreal's extraordinary unemployment relief needs. The Hon. Ian Mackenzie (Lib., Vancouver Centre) said the Government were adopting, tardily, a course urged by the Liberals. Charles B. Howard (Lib., Sherbrooke, Que.) complained of the discrimination shown against the smaller centres of his Province and of the favour shown to the larger cities in the matter of relief; Miss Agnes Macphail (Prog., Grey South-East, Ont.) warmly congratulated the Government on the measure; the Hon. W. R. Motherwell (Lib., Melville, Sask.) charged the Government with attempting to bribe the electorate with this Public Works Bill; Humphrey Mitchell (Lab., Hamilton, Ont.) lauded the Government for their new relief move; and Mr. Mackenzie King (Liberal Leader) branded the Bill as "a measure introduced for the purpose of assisting the Administration in a general election. Parliament" he said, "is asked to vote a public works programme amounting to $40,000,000 on the eve of a general election; that, in a nutshell, is what the measure is." He scored the Government for the late introduction of the Bill and complained that the constituency he represented, Prince Albert, in Northern Saskatchewan, had been omitted from the list of works. Turning to the Prime Minister he remarked that the Government had been very generous with regard to the expenditures proposed in the Calgary area and also in Edmonton. The Prime Minister, in answer to the Opposition Leader's reference to the various proposed outlays in these areas, gave the House a lengthy statement showing the urgent necessity of the suggested works. He added: "It seems idle to endeavour to induce Members opposite to believe there are those still living in this country to whom the question of public necessity is the governing factor in determining how money shall be

expended." After three days of debate the Bill was given third reading on June 30 without a division of the House.

Banking Legislation. Establishment of a central bank for Canada, the last of the Dominions to make a move in this direction, renewal of the bank charters for another ten years, repeal of the Finance Act whose operations would be supplanted by those of the Bank of Canada and a change in the Dominion Notes Act to provide, in the words of the Prime Minister, "for a strictly limited interim elasticity in the note issue," pending the creation of the Bank of Canada, and to facilitate payment for the $40,000,000 public works construction programme, introduced later in the Session, comprised another important part of Parliamentary business. While a large part of the time was consumed in the Standing Committee on Banking and Commerce to which the Bank of Canada Bill and the measure to extend bank charters were referred, yet, when these pieces of legislation returned to the House in June, they both commanded the attention of the Members for many days of that month during which the Liberals renewed with vigour their fight to have the Bank of Canada publicly controlled and publicly owned. This battle was waged in Committee of the Whole and on the Motion for third reading. Three or four times they moved an Amendment to achieve this end but each time they were defeated by a considerable majority. Then trouble came from another quarter when French-speaking Liberals sought to limit the choice of the governor, deputy-governor and assistant deputy-governor to Canadian nationals and to require that the notes issued by the Bank of Canada should in each case carry both the English and the French language. These moves also were resisted but only after much heat had been generated over the language and the race questions.

When the Bank of Canada measure was first submitted to the House on Feb. 22, the Hon. E. N. Rhodes, Minister of Finance, gave a brief and lucid account of the results of the Macmillan Commission's investigation and of the purposes to be served by the proposed central bank. Its functions he summarized as follows: (1) to regulate internal credit; (2) to regulate the foreign exchanges; (3) to mitigate fluctuations in the level of production, trade, employment and prices as far as might be possible within the scope of monetary action; and (4) to give expert and impartial advice to the government of the day. Mr. Rhodes devoted considerable time to explaining why the Government had decided upon private ownership and public control rather than a wholly public institution. The chief reason, he told the House, was to remove the institution as far as possible from the influence of partisan politics. This point was stressed also by the Prime Minister during the latter stages of debate on the measure.

At the outset, in the initial debate, the Leader of the Opposition (Mr. Mackenzie King) declared that the Liberals had always advocated the creation of a central bank but they always favoured a publicly-owned and controlled institution. The situation in the House became somewhat complicated, however, when the C.C.F. group in this first stage of the legislation and before it had been referred to the Standing Committee, also made a move on their own part to secure public ownership and control for the Bank of Canada, after the Liberal Leader had intimated that any Motions for amendment by his Party would be reserved for a later time. The C.C.F. Amendment, moved by George G. Coote (Macleod, Alta.), was, however, ruled out of order on Mar. 8 and on the following day the Bill to establish the Bank of Canada was given second reading without a division and referred to the Standing Committee where this measure, along with the Bill to revise the Bank Act and extend bank charters for another ten years, received careful consideration during nearly three months.

The Bank of Canada Bill was again called in the House on June 19 and two days later Committee consideration of the measure began under the guidance of the Prime Minister. On that first day when the Bill returned to Committee of the Whole the Liberals began their fight to have the central bank publicly owned and controlled, the Hon. Ian Mackenzie (Vancouver

Centre) moving an Amendment to this effect, but after much lively debate it was defeated by 53 to 27. Then Donat Raymond (Lib., Montreal) moved to have appointment of the chief officials restricted to Canadian nationals. This was beaten by 79 to 37. Another Amendment, moved by Charles B. Howard (Lib., Sherbrooke) and designed to "assure the supremacy of Parliament" also was rejected by 61 to 40. The next day the Hon. J. L. Ralston (Lib.), a former Minister of National Defence, made a move to establish closer public control than he thought then existed over the central bank but it also fell by the wayside. The Hon. Ernest Lapointe's (Lib., Quebec E.) bilingual bank note Amendment also was defeated after some fiery speeches, of which that of Henri Bourassa (Ind., Montreal) was memorable. On the Prime Minister's Motion for third reading of the Bill, made on June 27, the Liberals again moved an Amendment calling for public ownership of the Bank, but this Motion and a Sub-Amendment from the C.C.F. group were ruled out of order, and on June 28 the Motion for third reading was carried by 97 to 56, most of the C.C.F. voting with the Government.

Minor Amendments to the measure made by the Senate were concurred in by the House on June 30 on Motion of the Prime Minister and after a brief discussion the measure was given final passage.

Less time and less contentious debate was necessitated by consideration of the Bill to revise the Bank Act which came back to the House from the Standing Committee on June 1. Only three days of Committee work were necessary. Many of the changes other than that limiting the bank rate of interest to 7 per cent. were more or less of a technical or legal nature and were made in order that the conditions would conform to those imposed in the other Bill creating the Bank of Canada. Without a division of the House third reading of this legislation, extending bank charters for another ten years, was given on June 11 on a Motion of the Minister of Finance.

Among the more important changes made in the Bank Act were the following: on and after the day on which the Bank of Canada was authorized to commence business, the maximum amount of notes which a bank might have in circulation at any time should not exceed the amount of its unimpaired paid-up capital. Moreover, beginning with Jan. 1, 1936, this maximum would be reduced by five per cent. per year for a period of five years and then by ten per cent. per year for another period of five years. Thereafter, until the further enactment of Parliament, the amount of notes of a bank in circulation should not exceed 25 per cent. of the amount of its unimpaired paid-up capital. With respect to Section 75, it was enacted that a bank was prohibited from purchasing, dealing in or lending money upon the security or pledge of shares of the Bank of Canada in addition to shares of its own stock or the stock of another bank. A limitation of five per cent. of the paid-up capital (instead of ten per cent. as formerly) was placed on loans to a director of a bank or to any firm, company or corporation in which the president, general manager or a director was a partner or shareholder without the approval of two-thirds of the directors present at a regular meeting or meeting specially called for the purpose. Certain changes were made in Section 88 of the Act to permit of loans against seed grain, binder twine and fertilizer. One of the most important Amendments was that having to do with the rate of interest charged by a bank—a prohibition against charging in any part of Canada except the North-West Territories a higher rate of interest or discount than seven per cent. and every bank which violated the provisions of the Sub-Section should be guilty of an offence and liable on summary conviction to a fine not exceeding $500, and every officer of the bank who violated the said provisions should be guilty of an offence and liable on like conviction to a fine not exceeding $100. An Amendment was passed withdrawing the restriction previously imposed on the right of deposit and withdrawal of moneys by married women in the Province of Quebec, such deposits having previously been limited to $2,000. It was also provided that liability of shareholders in the event of a bank being unable to pay its debts and liabilities would be reduced in proportion to the withdrawal of the right of note issue of the bank after the Bank of Canada commenced business.

Mr. Bennett, explaining to the House on June 19 the reasons for the changes he proposed in the Dominion Notes Act, told of one provision whereby $120,000,000 of Dominion notes might be issued with a 25 per cent. gold coverage and that any issue in excess of that should be covered to the extent of 100 cents on the dollar. The Prime Minister then informed the House of the trend of note circulation and of the extent of gold coverage and of the significance of the action taken at the International Economic and Monetary Conference in London when there was adopted a recommendation that the minimum of gold coverage be lowered to 25 per cent. He explained, too, that one of the purposes that would be served by this additional note issue would be to finance a $40,000,000 public works programme. When questioned by Members of the Opposition, including the Hon. Ian Mackenzie, the Prime Minister denied that the additional note issue was inflation and stated that it was simply the application of a principle laid down at the World Conference. After two days of discussion this measure was given third reading in the House on June 26. Repeal of the Finance Act and repeal of Chapter 4 of the 1915 Statutes were made necessary by the Bank of Canada legislation, as explained by the Prime Minister on June 20, and both of these short measures were given rapid passage on the same day.

The Bank of Canada. In view of the widespread interest surrounding this institution, new to Canada, the Hon. E. N. Rhodes, Minister of Finance, authorized a statement explaining the part which it was designed to play in the Canadian financial system and to show how the Bank, as constituted, was equipped to perform the functions for which it was to be created. Mr. Rhodes said:—

"A central bank is primarily an instrument of control. Its functions are largely, though not entirely, regulative. In the past we in Canada have depended entirely on passive legislative measures and on the unco-ordinated working of competing private institutions as the means of regulating our banking and currency system. For example, the conditions under which government paper money might be issued have been rigidly set forth in the Dominion Notes Act and the Finance Act. Again, legislation in the form of the Bank Act has defined strictly the limits within which the chartered banks might put their notes into circulation. However, in regard to the extent to which bank deposits might be created, responsibility has rested directly with the banks themselves, and the volume of deposits created has been the automatic result of their lending and investment policies. No legal requirements as to the proportion of reserves to deposit liabilities have been imposed. Since about ninety per cent. of our business transactions are carried on by means of cheques against deposits it is obvious that the determination of the volume of our effective means of exchange has been predominantly in the hands of private banking institutions.

"Fortunately, we have had an excellent commercial banking system," Mr. Rhodes continued. "Our chartered banks have been strong, well-managed and efficient. In the performance of their ordinary commercial banking functions —the acceptance of deposits for safe keeping, the making of loans, the provisions of short-term funds for Canadian industries—they have had an admirable record, probably not surpassed by that of any other country. Clearly, however, the public interest demands something more than this from its financial system as a whole. Though our commercial banking system has been sound and efficient, there has, in the opinion of the Government's financial advisers, been missing a link in the chain of financial institutions considered as a whole system. It is obvious that under a competitive system, where the main object of private finance is to make profits, there is vital need of some institution which, while co-operating with the private banks, will have particular regard for the welfare of the community at large—some institution whose business is to see that the total volume of credit in use from time to time does not depend solely on the working of competitive business forces. Here is the place of the central bank. Its chief purpose, therefore, is to provide a measure of control, in the public interest and in accordance with national policy, over both the issue of paper money and the creation of bank

deposits. By means of its regulation over the total volume of our means of exchange, that is, of our 'money' in the broadest sense, the Bank of Canada will be an important factor in influencing not only the general level of prices but also the general tempo of business activity in Canada. Such is the function of the central bank stated in its broadest terms."

The Finance Minister outlined the scope of the new central bank's activities and some of the ways in which it was hoped the Bank of Canada would contribute directly and indirectly to the national economic welfare:

(a) The Issue of Currency—First of all, the important function of issuing Canada's paper money would, eventually, be reserved solely to the Bank of Canada. The Bank of Canada Act provided for the gradual reduction and eventual extinction of the right of note issue of the chartered banks. Thus in future this recognized sovereign power would be removed from the arena of private finance and placed in the hands of a *quasi*-public institution, such action being in accord with the practice obtaining in most other countries where it was long recognized that the national currency should exclusively bear the stamp of national authority and not that of the presidents or vice-presidents of corporations operating in the realm of private business. Among other things, the Canadian Minister of Finance believed that this unification of the note issue should make possible a better adjustment between the supply of currency and the business demands for it, thus giving to Canada's currency system the necessary elasticity while still maintaining the integrity of the monetary standard.

The Bank of Canada would be expected to provide a better adjustment between the amount of "money" in circulation and the need for it. The gold held by the Department of Finance and by the chartered banks would be transferred to the central bank and held as reserve against the legal tender notes and the deposit liabilities of the Bank of Canada and, indirectly, of the whole banking system. It should be pointed out in this connection that for the first time in Canada's history the total stocks of monetary gold in the country would be concentrated under a single authority charged with the responsibility of seeing that Canada's monetary reserves were adequate. This, stated Mr. Rhodes, should make possible the most efficient and most economical use of these reserves as well as ensure the maximum of security to the currency and banking system of Canada.

(b) Regulation of Credit—In the second place, the Bank of Canada would attempt, as far as might be possible within the scope of monetary action, to mitigate fluctuations in the general level of employment, prices and business activity. While it was realized that the forces giving rise to alternate booms and depressions in Canada might have external origins, yet it was hoped that by its influences the Bank might be able to alleviate and, to a degree, to neutralize these forces, and to render less severe their impact on the economic life of Canada. It was believed in this connection that distinct advantages would come through the formulation of a deliberate and informed credit policy which would act as a brake in times of undue optimism and expansion and which would offer stimulus and financial assistance in times of depression and crisis. Experience of other countries suggested how the Bank might operate to promote stability in the business world. In general, two important and complementary powers were utilized for this purpose. When it was thought desirable that the banking system should be encouraged to extend credit more freely the Bank might lower its rediscount rate, that is, the rate at which the Bank was willing to extend the use of its credit to the banking system as a whole. At the same time, by means of what are called "open market operations," the Bank, by buying securities, might expand the cash reserves of the banks and thus ease the general credit situation. Conversely, when it appeared that business was expanding unduly the Bank might raise its rediscount rate and thus discourage the further use of its credit for business purposes while at the same time the sale of securities would tend to restrict further unwise expansion at a time when caution was needed.

(c) To Regulate the Foreign Exchange—In the third place, it was intended that the Bank of Canada should endeavour, as far as possible, to

control and defend the external value of Canada's monetary unit, that is, to protect the value of the Canadian dollar in the foreign exchange market. The maintenance of the monetary standard would be one of the chief duties of the Bank of Canada. Furthermore, Canada, for the first time in her history, would possess an institution which could co-operate on her own behalf with other nations in any proposals for world stabilization of currencies.

(d) Fiscal Agent and Financial Adviser to the Government—The Act provided that the Bank should act as fiscal agent of the Government of Canada and might also act as banker or fiscal agent of Provincial Governments. In addition to taking over these duties, it was anticipated that the Bank might be of considerable assistance in developing a short-term money market in Canada, thus providing facilities for more economical short-term financial operations of Canadian Governments. Futhermore, there was an obvious need in Canada for some body which would provide expert and disinterested advice, particularly to Provincial Governments, regarding the domestic as well as the foreign market for bonds, and offer facilities for some possible co-ordination of external borrowing operations. It was expected that the Bank of Canada might perform a very useful service in this connection.

The Bank of Canada would be a privately-owned institution with the head office in Ottawa. The chief executive officers (*i.e.*, Governor, Deputy Governor and Assistant Deputy Governor) in the first instance, would be appointed and their salaries fixed by the Governor-in-Council. Subsequent appointments were to be made by the Directors with the approval of the Governor-in-Council. The Directors were to be elected by the Shareholders. No director, officer or employee of a chartered bank might be a Director of the Bank of Canada. Furthermore, the Directors were to be selected from diversified occupations. This latter provision ensured that the Board would be representative of various economic groups in the country (agriculture, commerce, manufacturing, etc.) and that it would not be dominated by any particular class of interests.

The capital of the new Bank, set at $5,000,000, was later offered to the people of Canada for private subscription. Every effort was made to secure the widest possible distribution of shares and preference was given to the small investor. The maximum number of shares allotted to any individual was 15 of a par value of $50.00 each. Dividends were to be limited to 4½ per cent. cumulative; that was all that the shareholder could make out of his investment. It should be noted that this low rate of return on capital invested represented only a fair interest rate and compared favourably with that paid by the Government on their own obligations. Shares were to be held only by British subjects ordinarily resident in Canada. The chartered banks, their directors, officers and employees were rigidly excluded from ownership or interest, direct or indirect, in the shares of the Bank of Canada.

The Minister of Finance announced on Sept. 6, 1934, that Mr. Graham Ford Towers, Assistant to the General Manager of the Royal Bank of Canada had been appointed Governor of the Bank of Canada. Born in Montreal in 1897 and a graduate of McGill University, Mr. Towers had entered the service of the Royal Bank of Canada in 1920 as an economist, served the Bank as Manager and Inspector in Cuba and elsewhere and eventually, became Chief Inspector of Branches. He was not an applicant for the position of Governor of the central bank but was selected because of his recognized qualifications and because he was one of the few outstanding bankers in Canada who was in favour of a central bank. Shortly after his appointment he left for the United Kingdom and the Continent to study the operations of central banks in England, France and other countries. Returning to Ottawa in November, he set about organizing the new banking institution, which was preparing to open for business on Mar. 1, 1935.

The Companies Act, 1934. A long deferred revision of the Companies Act and the Companies Clauses Act was undertaken by the Hon. C. H. Cahan, Secretary of State, whose legislation was introduced to the House on Apr. 26. Summarizing the purposes of the revision and amending

legislation Mr. Cahan said it was proposed to divide the provisions of the Companies Act into two parts, the first dealing exclusively with companies with share capital and the second, with corporations without share capital and which carried on their operations without pecuniary gain. The combination of these two classes previously had led to considerable confusion. Generally, the new measure contained stringent provisions regarding the auditing of the accounts of companies and the publication of such audited accounts. There were also stringent provisions regarding the issue of prospectuses by companies or by underwriters on behalf of companies. The fear was expressed by Mr. Cahan that because of this stringency there would be a serious diminution in revenue for the consolidated fund for, unless the Provincial authorities made their provisions equally rigorous, many applicants for charters would go to the Provincial rather than to the Dominion authority. The provisions regarding auditing and the issuing of prospectuses, said Mr. Cahan, were more stringent in this Bill than in any other Act in any British country at the time. There was little contentious debate over this legislation and rapid progress was made with the bulky document. Most Members of the Opposition were favourable to the steps taken to curb the scattering of company stock around the country without scrutiny or supervision. On the question of establishment of branch stock registers in various Provinces R. B. Hanson (Con.) thought this should be made obligatory in the interests of the shareholders. Mr. Cahan replied that shareholders had the option of not retaining shares in a company which failed to give them the protection which they thought they ought to have in respect of Succession duties taxes. "We have given the companies this option," he added, "and have left it to the shareholders to bring pressure upon the company with respect to the establishing of branch registers. We think we have gone just about as far as we ought to go at the present time. I do not think we are yet in a position to amend the Dominion Companies Act to provide for successful evasions of the decisions of Provincial courts regarding Succession Duties tax." Mr. Hanson declared there was no attempt to evade the payment of Succession Duties tax in the cases he had in mind but he thought the provisions of the new law would perpetuate the double taxation of the same set of securities. The Hon. J. L. Ralston said that the idea of double taxation was not necessarily a scandal. He warned, too, against legislating to assist in an evasion of a Provincial law. He did not think it possible to get rid of double taxation simply by making it obligatory upon companies to register in the different Provinces. "We ought to legislate for companies," concluded Colonel Ralston, "rather than attempt to follow the incidence of the legislation into the account books and finally into the estates of various people who may or may not become shareholders as they think proper."

This amending legislation received third reading in the House on June 1 after being before Committee of the Whole on six different days and on June 18 changes made by the Senate were concurred in without debate.

The work of revising the previously existing Companies Act was originally undertaken at the request of an Inter-Provincial Conference and was submitted later to the Inter-Provincial Conference in January, 1934, with a view to the adoption by the Provinces of uniform companies legislation. The Provinces were to submit, through their Attorneys General, by Mar. 1, 1934, any suggestions for such amendments as they might desire to have embodied in the Bill. No suggestions of any kind were received. The Governments of Nova Scotia and British Columbia decided that they preferred to adhere to their existing system of incorporation by memorandum and articles, and the Government of Quebec intimated that they intended to continue incorporating companies by means of a direct grant from the Crown. The Dominion Government, however, decided that the time had come for the Dominion to take the lead in introducing reforms urgently required in respect of the promotion, incorporation and management of companies, and the offering by companies of their shares and securities to the public for subscription.

Very radical changes in the existing law were embodied in the new Act, which imposed onerous obligations on directors and others who were respon-

sible for the administration of the affairs of Dominion companies, such changes being designed to prevent fraud and other objectionable practices and to ensure publicity and full disclosure of material and relevant facts in the financial statements of companies and in company prospectuses, which would be available to shareholders, investors and creditors. While the adoption of the stringent provisions of the new Act, which went far beyond any similar provisions in Provincial legislation respecting companies, might possibly have the immediate effect of a reduction in the number of new companies incorporated by the Department of the Secretary of State unless the Provinces adopted similar Amendments, the Dominion Government decided that the protection of public interests made necessary the enactment of these measures of reform in respect of companies which were subject to Dominion jurisdiction. The companies legislation of the Provinces and of England was considered, and many Sections of the Act followed, either without change or with minor changes, Sections of the English Companies Act of 1929 dealing with the same subject matter.

The old Act placed no restriction upon the amount which might be set aside as distributable surplus out of the consideration received for the issuance of shares without par value. The new Act limited this amount to twenty-five per cent. of the total consideration received. Where a going concern was purchased and no par shares were issued as part of the purchase price, it would also be permitted to carry forward the earned surplus of the business acquired. It was deemed desirable to prohibit for the future the creation of preferred shares without par value which had a priority as to capital, or which were redeemable by the company.

Amendments to Insurance Acts. After careful consideration by a Senate Committee for some weeks the Amendments to the Canadian and British Insurance Companies Act and to the Foreign Insurance Companies Act were presented to the House of Commons during the latter part of the Session and were approved after brief debates. Because of a Privy Council decision which held that insurance was solely within the Provincial jurisdiction those in charge of the amending legislation in the Senate were determined to make the new measures "appeal-proof", and one result of this was that Lloyds, the world-renowned British insurance organization was exempted from the requirement in the Canadian and British Bill to obtain a licence from the Canadian Government to transact business in Canada. This exemption met with strong favour in the House and served to abbreviate considerably what would otherwise have been an extensive debate. Mr. Bennett (the Prime Minister) in moving second reading of the Canadian and British Companies measure explained that companies were glad to accept the jurisdiction of Canada as established by a Federal licence because of the actuarial experience of the Canadian Department of Insurance which would be at their disposal. He pointed out, too, that the benefits accruing to Canadian companies doing business abroad by having that licence were very great. The Hon. Ian Mackenzie (Lib.), the Hon. J. L. Ralston (Lib.) and the Hon. W. D. Euler (Lib.), all former Cabinet Ministers, warmly commended the Prime Minister for having exempted Lloyds from the requirement of a Department licence, and the Hon. Ernest Lapointe (Lib.), a former Minister of Justice, remarked that all Lloyds funds were pledged for the security of those who had insured in that organization to meet claims throughout the world, and this was a reason why it could not comply with the Canadian requirement that the Canadian premiums be segregated for the Canadian business. Two sittings of the House in Committee were all that were necessary to dispose of the measure which was given third reading on June 20. A few days later, on June 29, the Prime Minister introduced an Amendment to the Bill to make available the debentures and debenture stock and other evidences of indebtedness of corporations which had paid their dividends regularly for a period of at least ten years immediately preceding the date of purchase. This was approved without debate. The complementary Bill relating to Foreign Insurance Companies was finally given third reading on June 25 after some debate and after the Hon. J. L. Ralston had moved an Amendment to a certain section which would affect

the case of the Continental Life Insurance Company, registered in Illinois, and which had been refused registration under the Dominion law by the Superintendent of Insurance. The case had been then taken to the Exchequer Court of Canada which allowed the registration. From that decision the Superintendent of Insurance appealed and at the time of the discussion in the House a decision by the Supreme Court of Canada was pending. Colonel Ralston moved his Amendment to guard against what he feared would be the retroactive effect of the proposed insurance law on the company in question. His Amendment was rejected and the measure given third reading.

Loan Rates and Patent Rights. Alleged extortionate rates of interest charged by small loan companies incorporated by the Federal and the Provincial Governments were brought to the attention of the House during the last days of the 1934 Session when three private Bills relating to such companies were being considered and before the debates, which took place on two or three sitting days, ended the Prime Minister (Mr. Bennett) had introduced and had passed through all stages a Bill amending the Loan Companies Act setting as a maximum aggregate interest rate to be charged by the lender of 2½ per cent. per month and providing that if that rate were exceeded the company, if it were a Dominion company, should forfeit its charter. The three companies incorporated in the private Bills given third reading were: The Small Loan Company of Canada; the Personal Finance Corporation; and the Discount and Loan Corporation of Canada. None of these was allowed to pass, however, until the Prime Minister had put through his Amendment to the Loan Companies Act, which Amendment would apply to the companies then incorporated. Before the discussion was ended Mr. Bennett stated that he would give serious consideration to the introduction in the House at the next Session of a new loan measure to meet the changed conditions arising out of a flood of incorporations of small loan concerns.

The practice of companies getting legislation to extend the life of patents they held but which were not really operative also raised a storm in the dying days of the Session. Previously, on Mar. 9 a private Bill sponsored by W. W. Kennedy (Con., Winnipeg) and which extended the life of a patent held by the Firth-Brearley Stainless Steel Syndicate, had been given third reading after a few questions by Members. The fight broke out in lively fashion, however, on a similar Bill on June 26; it was sponsored by J. E. Lawson (Con., York West) and provided for the extension of the patents on certain inventions the benefits of which were claimed by the Duplate Safety Glass Company of Canada. The Hon. C. H. Cahan, Secretary of State, under whose charge was the Dominion Patents Office, vigorously assailed the Bill, declaring that the Company was not entitled by law or by practice to the inventions covered by the patents granted, in this case, in Great Britain. He thought the House should not pass the Bill because it would be "granting by legislative enactment a private monopoly covering fifteen inventions, a monopoly which would be subversive of the interests of all Canadian manufacturers of the same or similar products who are now entitled, of their own right, to import, to make or to use these products without the payment of any licence fee or royalty to any person or company in any part of the world." He said that to grant an extension of these patent rights would be to empower the holders to exact royalties or licence fees from Canadian users, importers or manufacturers of similar articles and he denied the existing holders had any right to ask for an extension of the patent rights as it meant granting a monopoly. The Hon. H. H. Stevens (Minister of Trade and Commerce) also denounced the practice of extending by special legislation patents which were held but not operative in Canada and had the effect of giving to the holders of the patents the same protection against importation into Canada as was afforded by the tariff. The claimants or applicants, he pointed out, had not taken advantage of their patent right within a reasonable time and had, therefore, really forfeited it. It was unfair to ask Parliament to revive or extend a patent right which had lapsed. Mr. Cahan moved that the Committee rise. Then the Prime Minister, deploring efforts of Members of the Committee to proceed to deal with the measure clause by clause, called the Chairman's atten-

tion to Mr. Cahan's Motion and said: "In this matter a tremendous principle is involved. We are asked to amend the Patent Act of Canada so as to provide that a special privilege shall be conferred by way of patent on a process not patented in this country." He reminded the House of the international convention to which Canada became a party in 1928 and stated that they would be open to the charge of a breach of faith if Parliament passed such a measure as that before the Committee. Then the Chairman called nine o'clock, the time when private Bills cease to be discussed, which meant the end of the Bill for that Session.

Railway Measures. In April the Minister of Finance, the Hon. E. N. Rhodes, introduced a Bill to authorize the provision of moneys to meet expenditures made and indebtedness incurred by the Canadian National Railways during the calendar year 1934 and to provide for the refunding of certain maturing obligations. It provided for the raising of funds for equipment, principal payments, sinking funds and miscellaneous maturing obligations, the total amounting to $12,185,828; for construction and betterments, $4,202,-007; and for the estimated net income deficits, amounting to $48,840,298. The Bill was given second reading and referred to the Committee on National Railways and Shipping. It was reported to the House later and given approval. Then on May 4, when the Hon. Hugh Guthrie, Minister of Justice, introduced the Motion to set up the Committee, Wilfred Hanbury (Lib., Vancouver-Burrard) moved an Amendment calling for the scrutiny by Parliament, also, of the Canadian Pacific Railway Company's accounts, in view of the fact that the Government had guaranteed the banks against loans to the C.P.R. amounting to $60,000,000. The Speaker, however, ruled the Hanbury Amendment out of order and when the ruling was appealed from the Speaker it was upheld by a vote of 58 to 44. On Apr. 17 Thomas Reid (Lib., New Westminster) moved a Resolution calling for greater equality between domestic railway freight rates and export rates on grain and grain products, claiming there was a discrimination in favour of the latter. The Hon. R. J. Manion, M.C., M.D. (Minister of Railways and Canals) reviewed the freight rate situation and urged that this matter be referred to the Board of Railway Commissioners. Rapid passage was given to a Bill introduced by Dr. Manion which provided for joint use by both railways of the C.P.R. tracks and premises at Quebec City. Similar provision for joint use of tracks and premises at Saint John was made in another Bill that was passed with little discussion. The perennial Resolution of D. M. Kennedy (U.F.A., Peace River) calling for early construction of a railway outlet from Peace River to the Pacific coast was discussed on Feb. 28 and rejected, as in previous years, on the ground of lack of funds, the Minister, Dr. Manion, assuring Mr. Kennedy that when the financial position of the two great railways made it possible, consideration would be given to the project. A Bill authorizing the appointment of auditors for the Canadian National Railways was introduced by Dr. Manion and passed on Feb. 23. Then, on June 21 the Minister of Railways introduced a Bill to incorporate the Canadian Railway Express and Telegraph Company, the effect of which was to authorize a merger of the railway express and telegraph companies when the Railway Companies were ready to proceed with this joint economy project. On June 25, however, the Minister asked leave to withdraw the Bill stating that while the two railway Companies had asked him to introduce the measure it now appeared there was little chance of the two Companies agreeing on a plan of merger.

The Revision of the Canada Shipping Act. After having been before the Senate for two Sessions during which time the long-deferred revision of the shipping laws was undertaken in the face of interruptions due to conflict over jurisdiction, The Canada Shipping Act came to the House in the first week of June and only five sitting days of the House were required to deal with the changes already made in the Senate. Introducing the Bill on June 4 the Hon. Alfred Duranleau, Minister of Marine, explained that the revised legislation had been framed in the light of the Statute of Westminster and of the agreement with the other Dominions as to uniformity in shipping

laws and also in the light of Canada's own laws, so as to give Canada full power over all Canadian ships no matter where they might be and over other British or foreign ships within Canadian territory. Again, on June 8, the Minister made a fuller statement as to the scope and the need of the revision of legislation which extended over 500 pages. Because of the apparent magnitude of the task for the House, Liberals, led by William Duff, of Lunenburg, well-known Nova Scotian shipowner, protested vigorously against the late introduction of the measure and declared that Parliament could not properly deal with such legislation in so short a time. Then the Hon. Ian Mackenzie, of Vancouver, termed the Bill the "Anthony Adverse" of legislative effort and thought it should have been submitted to the House at an earlier date. He then made certain representations on behalf of shipping interests on the Pacific Coast. W. F. Hanbury, another Vancouver Liberal, urged the Minister to withdraw the Bill because of the lateness of the Session. During the debate on June 12 in Committee the Prime Minister stated there were seventy new sections in the Bill. Then ensued a discussion as to whether or not the Bill should be referred to a select committee because of the large number of technical questions arising from it. The Prime Minister did not think this necessary which provoked Colonel Ralston to protest against bringing in the legislation at all at that Session in view of the vast amount of legislation submitted to the Members for consideration. It was discussed in Committee on four successive days and given third reading without a division on June 19.

Changes in the Electoral Machinery. For the purpose of making Federal election contests cheaper, shorter and more readily begun, an elaborate legislative plan was submitted to the House on June 13 by the Hon. Hugh Guthrie, Minister of Justice. The plan involved passage of a Representation Act, changes in the Dominion Elections Act and the establishment of a new system under the Dominion Franchise Act. Explaining the purpose of the legislation Mr. Guthrie pointed out that from the passage of the existing law in 1921 down to 1934 the election machinery had proved "cumbersome, dilatory and expensive", and it had been thought preferable to have a basic electoral list which would at all times be available in case either of a dissolution of Parliament or in the case of by-elections. Under the existing law it required about sixty days after dissolution before the election machinery could all work satisfactorily. "The proposal," Mr. Guthrie stated, "is that a Bill be introduced to establish the franchise of electors for Dominion purposes and also provide for the making and completion of voters' lists which shall be regularly revised and kept up-to-date and which shall be available at a moment's notice in any part of Canada should a general election or a by-election take place. Under the proposed scheme it is hoped that a general or a by-election might be held in not more than twenty-eight days." The scheme also contemplated the appointment of a commissioner of franchise who would have general charge of the franchise and the preparation of the voters' list and the establishment of the basic list. The commissioner of franchise would appoint the registrars in each riding who would have the work of preparing the basic list and for that purpose they would name the enumerators.

Trouble arose early in the proceedings when it became apparent, through some remarks of the Liberal Leader, that the new electoral scheme had, to some extent, to be based on an understanding between the two major Parties. Robert Gardiner, speaking for the C.C.F. group, protested vigorously against any move that did not accord his group equal recognition and consideration with the other Parties. Then, as the discussion proceeded, it was disclosed there had been conferences between the Liberals and the Conservatives and at which the C.C.F. were not in attendance. This provoked the C.C.F. Members to further protests. Another outburst came when it became evident that the Government was disposed to disfranchise the Doukhobors in British Columbia for their persistent and successful violation of the law. Some Members thought it a dangerous procedure to disfranchise a particular sect or race but, after more protests in the House, the Minister of Justice declared

there had been no intention to disfranchise any race or sect in the proposed legislation. Eventually, however, the provision for disfranchising the Doukhobors was retained and in the face of strong expressions from some Members the Prime Minister warmly defended this course. Mr. Bennett declared that this sect had openly and successfully defied Canada and the laws of Canada. S. W. Jacobs (Lib., Cartier-Montreal) speaking on behalf of the Jewish race, thought this extreme course was the introduction of Hitlerism into Canada. When questions of the constitution were raised by Quebec and British Columbia Liberals the Prime Minister pointed out that Parliament was only attempting to do what the Provincial authority had already done on the Pacific Coast. There were some hot exchanges across the floor in the early stages of the debate on other features of the proposed legislation, notably that arising from charges that the results of the preliminary and secret conferences between the Parties had been made available to the newspapers; and when a Conservative pointed an accusing finger toward the Leader of the Opposition, Mr. King warmly denied responsibility for any "leak" of news. On the Motion for third reading of the Bill J. S. Woodsworth (C.C.F. Leader) moved that the provision for disfranchising the Doukhobors be deleted; this was defeated by 56 to 27, and the Motion for third reading of the Bill was carried on June 30 without a division, slight Amendments by the Senate being concurred in.

Consideration of the concurrent changes in the Dominion Elections Act provoked debate about the party patronage possible in the choice of returning officers. Liberals, led by C. G. Power, of Quebec City, pointed with some pride to the efforts they had made prior to 1930 to get the selection of returning officers out of the hands of the party machinery. The Liberals, as pointed out by Mr. Mackenzie King, had legislated to have the returning officers named by the Chief Electoral Officer, thus removing it to a large degree from party control or influence, but strong exception was taken to the proposal in a change, introduced by Mr. Hugh Guthrie, to have these returning officers appointed by the Governor-in-Council, and the particular clause was passed in Committee on division, the Opposition objecting but not requiring a counting of heads. Another change sought by the Labour group and moved by Angus MacInnis (Lab., Vancouver S.) provided that unemployed men away from home should not thereby be deprived of the right to vote; this was defeated by a vote of 43 to 10. Later in the same day, and after passage through the House of all the necessary electoral Bills, the Prime Minister moved that Colonel John Thompson (formerly head of the Pension Appeal Board) be named Commissioner of Franchise. This Motion was cordially seconded by Mr. King. It was later announced that Colonel Thompson's salary would be $10,000 per annum. One of the chief effects of the changes in the electoral machinery was that the returning officers were in future to be appointed by the party in power rather than by the chief electoral officer, but the registrars of franchise were to be chosen by Colonel Thompson and not necessarily with reference to either party.

Following his appointment Colonel Thompson promptly set the Franchise Act machinery in motion. Registrars and enumerators were chosen throughout Canada and the huge task of preparing an entirely new voters' list for the Dominion was begun. By the middle of November (1934) the list was forwarded to the Government Printing Bureau in Ottawa. It contained approximately six million names, half of them rural and the other half urban voters. The printed list was to be ready for use by Feb. 15, 1935.

The Excise Act; Customs Act Amendments. On June 1 the Hon. R. C. Matthews (Minister of National Revenue) introduced a Bill to revise and consolidate the Excise Act. The measure consisted largely of the consolidation of the Act to include the various Amendments passed since 1927 and was intended, the Minister said, to facilitate the administration of the law. He further explained, in reply to questions by the Liberal Leader (Mr. Mackenzie King) on June 4 that one of the important changes was that repealing the gallonage tax on beer imposed by the Special War Revenue Act

and increasing the existing Excise duty on malt. Another change was that by which the tax imposed on malt syrup suitable for the brewing of beer was being repealed and converted into a duty of excise. The third change was the setting up of a schedule or tariff of excise duties which would be convenient for purposes of reference. Mr. King objected strongly to the change in the law whereby the power of regulations was to be transferred from the Governor-in-Council to the Minister of National Revenue. The Bill was given third reading on June 28 but differences arose between the House and the Senate on some of the latter's alterations and a conference was necessitated. A compromise was reached by which one of the Senate Amendments was rejected and three others accepted.

Amendments to The Customs Act provided penalties (1) for gaining access to bonded goods in a railway car without the Collector's permission even though duty had been paid thereon, and (2) for making signals to a smuggling ship.

Amendments to The Customs Tariff:—(1) defined "proof" and "proof spirits;" (2) provided that in computing the *ad valorem* rate of duty on tea purchased in bond in the United Kingdom to determine whether or not the 10 per cent. discount for direct shipment under the British Preferential Tariff applied, the value should not include duty payable on tea for home consumption in the United Kingdom; (3) gave the Governor-in-Council power to order, whenever expedient to do so, that excise duties and taxes be disregarded in estimating value for duty of imported goods; and (4) provided a number of changes in the Tariff Schedules which could not be classified under general heads.

A Bureau of Translations. The Commons gave stormy passage to a Government Bill setting up a Bureau of Translation, which was sponsored by the Hon. C. H. Cahan, Secretary of State, who explained that the Bureau was to be created for the purpose of pooling the French translators scattered throughout the Government Service, numbering over ninety and drawing salaries aggregating $252,000 annually. The proposed consolidation immediately became the subject of violent criticism in the French section of the public Press and Mr. Cahan deemed it necessary upon moving second reading on Feb. 27 to assure the House that the Government was not endeavouring to destroy the Confederation pact or to preclude the use of the French language in the debates of Parliament, in the reports of Parliamentary proceedings or in the administration of the several departments and agencies of the Government. One of the principal objects of the Bill was to reduce the cost of Government printing. In his concluding remarks, Mr. Cahan said: (*Hansard,* Feb. 27) "It is true that my maternal language is English and that I am of the Protestant faith, but I confess that during the past few weeks I have felt somewhat embarrassed and even humiliated in reading the charges made in certain sections of the public Press that I am now attempting to destroy the Confederation pact and to relegate the French language to an inferior place in the Federal administration of this country. I should have thought—and I say it with modesty—that my past public life and my consistent conduct in matters relating to race, language and religion, should have protected me from such personal assaults as those I have sustained. This Bill is not a Cahan Bill; it is a Government Bill, which the Members of the Government deem to be detrimental to no particular interest, but a measure the terms of which will tend to conserve public interests and assure more efficient administration of the Public Services of the country."

The attack upon the Bill was led by E. R. E. Chevrier (Lib., Ottawa) who moved the six months' hoist. The battle raged back and forth for several days, Quebec Liberal Members maintaining a fierce assault upon the measure, which they branded as a scheme to curtail use of the French language in Parliament. The six months' hoist Motion was defeated on Mar. 6, by 108 to 52, 15 Progressives and Independent Members voting with the Government. Thereafter, passage of the Bill was stubbornly resisted in Committee and it was not until May 28 that the measure finally received third reading and was passed.

Wild scenes occurred in the Commons Chamber when the division bells rang for the vote on the Chevrier Motion. While the whips were rounding up lagging Members, Quebec Members sang a French-Canadian folk-song "A La Claire Fontaine," Conservatives and Liberals attempting to drown out each other. Then when the division was being recorded, Quebec Liberals thumped their desks every time a Quebec Conservative voted for the Bill. But they thumped even longer when Henri Bourassa and A. W. Neill, the two Independents, led a solid phalanx of Progressive and C.C.F. Members against the Motion. So loud was the uproar that the Speaker asked for order because the clerks could not be heard above the din. The Hon. Alfred Duranleau, Minister of Marine, expressed surprise at the vehemence of the opposition to the Bill. He had a suspicion the fight was designed to make a party appeal to the people in anticipation of the General Election, and suggested that the names of those who organized the opposition might be "interesting." Personally, he could see nothing in the measure that was not favourable to the French-speaking people and their language. With respect to the attacks on the measure appearing in the Press, Mr. Duranleau said he wondered how "journalists of good faith could misjudge to such an extent the character of the Secretary of State of whose sympathy toward the French he has systematically furnished evidence throughout his long career." The Hon. P. J. A. Cardin (Lib., Richelieu) said that the Secretary of State in introducing the Bill had claimed it was based on two principles only—economy and efficiency. There was no use now in Conservative Members trying to claim that the measure gave more security to the French language, as no suggestion of this kind had been made by Mr. Cahan. The Bill would not add one iota to the standing of the French language.

The Criminal Code: Lotteries and Sweepstakes. Another effort was made during the 1934 Session to legalize lotteries or sweepstakes for the benefit of hospitals in any Province in which they were recognized but as in 1933, the move was thwarted. Many requests were made early in the Session for the setting aside of a day on which this question, which was a lively one throughout the country as a result of winnings in Irish and British sweepstakes, could be discussed and finally the Prime Minister designated May 22 as an appropriate date. John A. Fraser (Con., Cariboo, B.C.) moved second reading of his Private Bill which empowered the attorney-general of any Province to authorize a committee to conduct sweepstakes or lotteries for the benefit of hospitals. Party whips were called off and Members were free to speak and vote without regard to Party consequences, and sentiment in the House on the question produced unusual political mixtures and alignments. Some speakers discussed the question on moral grounds solely and others on economic grounds. When it came to the moral question the move was condemned and when it came to the economic question some Members strongly commended the Bill as a means of providing sorely needed funds for public ends. Both the Prime Minister and the Leader of the Opposition condemned the proposal on both moral and economic grounds and only one Member of the Cabinet spoke in favour of the Bill, the Hon. Maurice Dupré, Solicitor-General. Before the debate had proceeded far the Motion for second reading was amended by A. M. Carmichael (Prog., Kindersley) who moved the six months' hoist. This was carried by a vote of 105 for and 57 against. A week later Pierre F. Casgrain (Chief Liberal Whip) moved second reading of his Bill to amend the Criminal Code by adding to the exemptions from legal action lotteries conducted for educational or public charitable purposes under the law of any Province. Mr. Casgrain reminded the House that at the previous Session of the Quebec Legislature a measure authorizing lotteries for educational or public charitable purposes was enacted. The Hon. Hugh Guthrie (Minister of Justice) refused to entertain the measure on the ground that the principle had been dealt with in the House a week previously on the Fraser Bill, and Mr. Casgrain's Motion for second reading was negatived on division.

Other changes were made in the Criminal Code, however, during the Session. Hon. Raymond Morand (Con., Essex E.) secured an Amendment on

Mar. 16 to the Section regarding racing meets to permit the existing racing time of fourteen days to be on consecutive days instead of having twenty days intervene between the two seven-day meets. Then the Minister of Justice had two or three changes made in the Code. One was to make the Section relating to lotteries comply with the law in Britain where any prize recovered as the result of complaint should be forfeited to the Crown. By the change Canada adopted the common informer system and did away with the provision whereby the informer could retain the prize forfeited, as the result of legal action.

Legislative Miscellany. Early in the Session Amendments to the Food and Drugs Act were introduced by the Hon. Murray MacLaren, M.D., C.M., Minister of National Health, who told the House on Apr. 27 that the main purpose of the amending Bill was to bring conformity between the Proprietary or Patent Medicine Act and the Food and Drugs Act by the introduction of a clause which would affect a similar list of diseases in both Acts for which the sale of remedies was prohibited. The effect would be that the list of diseases in both Acts would be similar. Another provision in the Amendments was that protection would be provided in regard to vinegar, the substitution of acetic acid to be prevented. E. R. E. Chevrier (Lib., Ottawa) objected to the provision whereby any remedies that might be self-administered could no longer be imported, manufactured or offered for sale. The Minister, however, corrected Mr. Chevrier by pointing out that the Amendment would not prohibit the manufacture of any remedy. It simply prohibited the sale or manufacture of any remedy for self-administration in the case of the diseases listed under the Proprietary or Patent Medicine Act and which could be placed with advantage to the public under the Food and Drugs Act. The purpose underlying the Amendments generally, the Minister stated, was to advance the interests of public health throughout the country and to curb the activities of persons called "quacks". Some changes were made in the measure as the result of the debate and the Bill was given third reading on June 18, a minor alteration made by the Senate being concurred in on June 28.

The Meat and Canned Foods Act was amended by a measure introduced by the Hon. Alfred Duranleau, acting Minister of Fisheries, to prevent the export of cans of fish falsely or incorrectly labelled or marked. It was given final passage on June 15. The Precious Metals Marking Act Amendments were introduced by the Hon. H. H. Stevens, Minister of Trade and Commerce, to develop and protect the Canadian trade and the Canadian consumers. More important amending legislation was that of the Hon. Robert Weir, Minister of Agriculture, to change the Fruit Act. The three most important changes were: first, requiring the bonding of fruit brokers to protect shippers in the case of rejected consignments; second, making it illegal to offer for sale fruit not fit for human consumption; third, including honey in the operation of the grading regulations. Most of the additional changes made in the Senate were concurred in on May 3.

A Bill to amend the Technical Education Act was introduced by the Hon. W. A. Gordon, Minister of Labour, who explained that the change made was to provide that any balance of the $10,000,000 appropriated under the Act unexpended on Mar. 31, 1934, should remain available during any one or more of the five succeeding fiscal years but no portion thereof should be paid after Mar. 31, 1939. This occasioned considerable debate on Mar. 12 and three days later it was given third reading.

A change made in the Live Stock and Live Stock Products Act made possible the fixing of charges by and the bonding of an exporter or an exporter's agent to protect the people whose stock was handled.

To discontinue the practice of grading Garnet wheat with No. 2 Northern, as there had been complaints from foreign users of the injurious effect upon the No. 2 grade, the Hon. H. H. Stevens (Minister of Trade and Commerce) on Apr. 9 introduced an Amendment to the Canada Grain Act. Another slight change involved merely an adjustment of the eastern terminal elevator

receipts to bring them into conformity. Two weeks later this measure was referred to the standing Committee on Agriculture and Colonization where there were heated discussions by Western Members, and the Bill came back to the House in June and was given third reading on June 15. During that final discussion the Hon. W. R. Motherwell (Lib.) first pointed out an error in a newspaper dispatch to the effect that the Committee had been unanimous in its Motion to report the Bill and then declared that the Minister of Trade and Commerce had not followed the advice of the Board of Grain Commissioners who favoured delay in the proposed change during the existing unsatisfactory state of the wheat market. He also sought to show that there was lack of co-operation between the Department of Trade and Commerce and the Department of Agriculture on this and kindred questions. He concluded with condemnation of Dr. H. M. Tory, Chairman of the National Research Council, and Mr. Short, President of the Canadian Millers' Association, declaring that "they have a mania for promotion, propaganda and limelight." He feared that any drastic action regarding Garnet wheat might have the effect of driving that wheat out of the country. The Bill was then given third reading without further discussion and without a division.

The Hon. Ernest Lapointe (Lib.), a former Minister of Justice, on Mar. 13 introduced his Bill to amend the Oaths of Allegiance Act, the purpose being to amend the form of the oath of allegiance and to change the word "possessions" to "dominions" to agree with the title which His Majesty had had since the Imperial Conference of 1926. "It is intended also," said Mr. Lapointe, "to strike out the words 'dependent on and belonging to the said Kingdom', which appear after the words 'Dominion of Canada'. These words are not true, they are against constitutional law and national dignity." On Apr. 18, however, Mr. Lapointe moved that his Bill be dropped as he had been assured that the Secretary of State would introduce a Government measure which would serve the same purpose. The Hon. C. H. Cahan introduced his Bill on Apr. 19 when he reviewed the development of the oath of allegiance and explained that the change, as suggested by Mr. Lapointe, established conformity between the practice here and in the United Kingdom and the other Dominions. A further short explanation by the Secretary of State on May 3 preceded second and third reading of the measure.

For the purpose of extending for another year the Agreement between the Dominion Government and the City of Ottawa whereby the Government paid the City $100,000 annually for water, an amending Bill was introduced by the Hon. Hugh Stewart, Minister of Public Works, on Feb. 6. The Liberal Leader (Mr. Mackenzie King) took this occasion to point out what he regarded as a disregard by the City of its obligations in an understanding with the Government concerning expropriation of certain properties and the furtherance of plans to beautify the City. He thought the City should co-operate by building a new City hall to take the place of the building which was burned but the Prime Minister said there was no agreement by which the City made any such undertaking. On Feb. 22 the Bill was given second and third reading without further discussion.

To amend the Salary Deduction Act of 1932 to provide that there should be no deductions of the salaries, pay or compensation of any employees of the Public Service up to and including the sum of $1,000, the Minister of Finance (the Hon. E. N. Rhodes) introduced a Bill on Apr. 9. On his Motion for second reading on Apr. 27 the Minister pointed out that the Government had been able to make a partial restoration in full of salaries, and that only depleted revenues prevented a complete restoration. After three days of discussion the measure was given third reading on May 4. Mr. Guthrie (Minister of Justice) on Jan. 29 introduced a measure to amend the Importation of Intoxicating Liquors Act, explaining that the measure was brought in at the instance of the Attorney-General of Ontario. It had been the custom during previous years for brewers in Ontario to ship direct to consignees in the Province of Quebec who were authorized by the Quebec Liquor Commission but the Act in question, better known as the Doherty Act, provided that shipments might be made only to the Liquor Commission itself. The proposal

was to insert the word "or" so that the Act would read that shipments might be made to the Liquor Commission "or to an agency which by the law of the Province is vested with the right of selling intoxicating liquors." The practice, he said, had been going on for some time but it was a technical contravention of the existing law. It was further discussed on Feb. 6 and given final passage on Feb. 20.

Two Bills amending the Royal Canadian Mounted Police Act were introduced by the Minister of Justice (Mr. Guthrie), one on Mar. 1 providing for a rearrangement of the internal organization of the Force, and another, on June 6, to place the constables of the Force on the same status as commissioned officers in regard to pensions and injuries. The former measure gave many Members an opportunity of speaking on the activity of the Force in seeking to curb smuggling as they were then acting as the Preventive Service of the Department of National Revenue. That Bill was given third reading on Mar. 13 and the minor measure was given final passage on June 15.

Mr. Weir (Minister of Agriculture) on Mar. 19 introduced a Bill to amend the Dairy Industry Act; the purpose was to keep the Act more in conformity with modern practices and to extend its operations at the request of certain Provinces. It was given final passage on Apr. 17.

A Bill to bring the Courts of Admiralty under the jurisdiction of Canada, having regard to the extension of that jurisdiction by the Statute of Westminster, was brought in by the Hon. Hugh Guthrie, Minister of Justice, on June 1, and it was given third reading three days later with little discussion.

A Bill amending the Soldier Settlement Act was introduced on June 6 by the Hon. W. A. Gordon, acting Minister of Immigration and Colonization. Its purpose was to render the lands then vested as to the legal title in the Director of Soldier Settlement, liable for municipal taxes. The lands had been vested in the Soldier Settlement Director as a corporation sole holding the lands as agent of the Crown in the right of the Dominion. The Bill proposed that these lands, in so far as making them liable for municipal taxes was concerned, should be held by the Director as a corporation sole but not as agent for the Dominion. It was given final passage on June 11.

A Bill to amend the Indian Act and respecting the Caughnawaga Indian Reserve in Western Quebec was brought in by the Hon. T. G. Murphy, Superintendent General of Indian Affairs, on June 1. It was a technical measure the purpose of which was, according to the Prime Minister, "to validate invalid legislation by Order-in-Council." It was given third reading three days later.

The Minister of Justice, introduced a minor Bill on May 25 to amend the Inquiries Act so that the operation of that Act might be extended to international commissions which might desire to take evidence in Canada subject to the control of the Governor-in-Council.

Resolutions: The Silver and the Wheat Agreements

Thomas Reid (Lib., New Westminster) moved a Resolution on Feb. 26 calling for the creation of a bimetallic currency, using silver as an auxiliary to gold. The Minister of Finance (Hon. E. N. Rhodes) took advantage of the occasion and offered an Amendment to the Reid Resolution, the Amendment simply asking the House to approve the Silver Agreement concluded in London in July, 1933, at the International Economic and Monetary Conference, and at which Mr. Rhodes was a delegate for Canada. By that pact the five silver-producing countries, Canada, the United States, Australia, Mexico and Peru, undertook to purchase or otherwise withhold from the market an aggregate of 35,000,000 fine ounces of silver each year during the life of the Agreement which was to be for four years. This amount was to offset the 35,000,000 ounces which India was to be allowed to market in each of the four years and thus to stabilize the market and ensure against a drop in price. The Amendment was adopted without further discussion.

Canada's Wheat Quota. After the close of the International Economic and Monetary Conference at London in the Summer of 1933 a parley of the wheat-exporting and wheat-importing countries was held in that city with the Prime Minister of Canada (Mr. Bennett) presiding (see elsewhere in this volume). The central aim of the Meeting was to seek an adjustment of the tangled problem arising out of the large surpluses in exporting countries and the reduced demand in the importing countries of Europe, chiefly because many of the latter had considerably increased their own production. As a result of the Wheat Conference quotas were arranged and Canada's allotment of exports to Europe was to be 200,000,000 bushels. While Russia was a signatory to the Agreement some misunderstanding over the quota made that nation's adherence to the document problematical. On his return from Europe the Prime Minister made two or three notable public addresses on the Agreement, on what was achieved for Canada and the pressing reasons for the agreement on quotas. When it came to the Session of 1934, however, Western Liberals were exceedingly critical of the fact that the Prime Minister had not seen fit to submit the Agreement to Parliament for debate and concurrence.

Asked early in the Session if he intended to make a Motion for concurrence the Prime Minister replied that he did not think it necessary. Then on Mar. 13 he made a lengthy statement to the House fully explaining the world situation which had made an agreement necessary, how surpluses in the producing countries and a lessening demand in Europe made a quota scheme imperative, and how, inferentially, reduced production or acreage in Canada would be necessary if Canada were to take the fullest advantage of its quota of 200,000,000 for the current crop season. That quota, as he explained, was computed by taking the average acreage for the three years, 1931, 1932 and 1933, and the average yield per acre over a ten-year period. As to curtailment of production the Prime Minister said: "So far as Canada is concerned, having accepted an export quota for the period ending July 31, 1935, it becomes a matter of national interest that our production in that period should not exceed the domestic requirements plus the export demand. It is obvious, of course, that there is no international agreement determining the methods to be adopted by the Governments of Canada and the several Provinces to give effect to the Agreement." Many questions were asked by Liberal Members at different times during the Session as to various aspects of the pact and its operation and also repeated requests for an opportunity to debate the pact. Complying with these requests the Prime Minister set apart a time on the last day of the Session, July 3. The Hon. W. R. Motherwell (Lib., Melville) a former Minister of Agriculture, opened this discussion with a review of the wheat situation since 1930 and then ridiculed some of the advice given to Mr. Bennett by the Prime Ministers of the Prairie Provinces prior to his departure for the Conference. He declared that it was folly to ask Russia to sign the Agreement and to expect that country to keep within its quota. Turning to Argentina's default, Mr. Motherwell was not prepared to blame that country but the default seriously lessened the effectiveness of the Agreement. He alleged that the reason why the Prime Minister of Canada had declined to ask concurrence of this pact by Parliament was that he realized that he had been wrongly advised by the Western Governments as to the need and terms of the Agreement and he wished "to pass the buck" back to those Governments.

The Prime Minister vigorously denied that Russia had defaulted on the Agreement or had treated the pact lightly but the fact that that country's crop did not measure up to expectations was responsible for the difficulty that nation experienced in observing the Agreement. He denied, too, that Argentina had withdrawn from the Agreement; that country, he said, wanted its quota increased owing to an unusually heavy crop. The fact that enforcement of the provisions of the Agreement, as to production, would rest with the Prairie Governments furnished the chief reason why the pact was not submitted to the Federal Parliament for concurrence. Hon. Charles Stewart (Lib., Edmonton W.) a former Minister of the Interior, contended that one

reason why Canada had difficulty in disposing of her wheat surplus in Europe was that the Bennett Government had treated the European countries unfairly in the matter of tariffs. T. F. Donnelly, another Western Liberal, scolded the Government for not having done more to lower France's barriers against Canadian wheat, and Mr. Motherwell complained of the small quantity of wheat which was being sold to China. This ended the 1934 discussion on the Wheat Agreement.

Titles, Honours and Awards. The question of titles, honours and awards granted by His Majesty the King, which had stirred the House of Commons on several previous occasions, was raised again on Mar. 14, 1934, when Humphrey Mitchell, Labour Member for East Hamilton, who had served in the Royal Navy during the Great War, moved: "That, in the opinion of this House, the Prime Minister should refrain from recommending to His Majesty the King, the granting of titles, honours and awards to British subjects resident in Canada." Mr. Mitchell had given notice at the close of the previous Session that he would move an anti-titles Resolution, and months before the Rt. Hon. Lyman Duff and the Hon. Joseph M. Tellier were knighted (New Year's day, 1934).

With three Members bolting Party lines, the House placed its approval on titles for Canadians. By a vote of 113 to 94, Conservatives defeated the Motion to restrain the Prime Minister from making further recommendations to the King for titles and honours. Joining with the Liberals, Progressives and United Farmers in support of the non-titles Motion were two Ontario Conservatives, George Spotton (North Huron) and I. D. Cotnam (North Renfrew). On the other hand, Sir Eugene Fiset, (Lib., Rimouski) a former Deputy Minister of National Defence, joined the Government forces. Thus both knights in the Chamber, the other being Sir George Perley, voted against the Resolution. In the biggest vote of the Session, with pairs unrecognized, the Government had one of the smallest, if not the smallest majority since it came into office in 1930.

It was the first time the House of Commons had divided along political lines on titles. When the original Nickle ban was proposed in 1919, Members were freed of Party whips, and again in 1929, on a Motion to review the whole question, Party discipline was lifted.

In a lively debate of 10-minute speeches, the policies of the major Parties were enunciated by the Leaders: Mr. Bennett (the Prime Minister) defended titles on the ground they were recognition by the State of public services rendered to the country or humanity and argued against the philosophy that all men were equals; Mr. Mackenzie King (Liberal Leader) said that Canadians generally opposed titles because they established class distinctions which were foreign to a democratic state.

After the English-born Hamilton Labourite (Mr. Mitchell) introduced his Motion with a general attack on titles, the clocks in the Chamber began moving toward six o'clock, when a vote would be shelved indefinitely. Liberals, Progressives and United Farmers called "Question, question," every time a speaker rose. They wanted a vote at once, the Liberal Leader asking his followers not to take the floor and consume time. One by one, Conservatives and Progressives rose and spoke for 10- or 15-minute intervals. There was speculation throughout the galleries as to whether a vote would be possible that day. At 5.30 the floor was vacant and division bells sounded throughout the corridors. The whips rounded up lagging Members while off-key renditions of old-time songs echoed from the Chamber. Ten minutes later the Mitchell Motion had been defeated by 19 votes.

The Prime Minister defended particularly the granting of honours to women doing social work and public servants with long records of faithful work behind them. To meet this objection, E. J. Garland, United Farmer Member for Bow River, moved to amend the Mitchell Motion so that only titles would be barred. On an unrecorded divison, this Motion was defeated as well.

Relations with the United States. Reintroduction by William Duff (Lib., Antigonish-Guysborough) of a Motion urging the negotiation of a reciprocal free trade treaty between Canada and the United States, the "olive branch" statement at the International Economic and Monetary Conference at London by Cordell Hull, Secretary of State for the United States, and frequent unofficial intimations of a renewal of the conversations between the two countries, which were inaugurated at Washington in the Spring of 1933 by the President (Mr. Franklin D. Roosevelt) and the Canadian Prime Minister (Mr. Bennett), produced discussions at intervals in the House during the 1934 Session. On Feb. 19 Mr. Duff moved his Resolution and in the course of his speech said: "There is no doubt in my mind that because of tariffs and restrictions existing between Canada and the United States conditions in this country are not as good as they might be. Since for the last fifty or sixty years we have had certain policies in Canada I can understand that it would be difficult immediately to do away entirely with those restrictions and barriers, yet I am fully convinced that the adoption of better trade relations between these two contiguous countries would be in the best interests of Canada and of the United States." Mr. Duff's plan called for the free entry into the United States of most of the natural products of this country "in exchange for the admission of certain goods from the United States which in the interests of both countries may be admitted into Canada free from customs tariffs."

Mr. Bennett, in reply, reminded the Opposition of the fact that Canadian duties against the United States were increased when the Liberals were in power and that when the Liberals did attempt a free trade deal with the United States in 1911 the proposal cost the life of the Laurier Ministry. The Prime Minister read to the House the full text of Cordell Hull's statement made at the Conference at London in July, 1933, and then told the House that since the issuance of that statement there had been frequent conversations between the Canadian and the United States Governments as to the means of improving trade relations between the two countries and that those conversations would continue. Finally, he moved an Amendment to Mr. Duff's Resolution, the Amendment expressing the approval of the House in the continuance of the Government's efforts to effect a larger exchange of commodities between the two countries. This was adopted without further discussion and without a division. Then on Feb. 22 the Prime Minister read a brief statement that had been made by the State Department in Washington and which intimated that the Roosevelt Administration hoped at an early date to take steps looking to the completion of a trade agreement with Canada.

On June 7 the Liberal Leader (Mr. Mackenzie King) asked the Prime Minister if Canada, along with other countries, had made overtures to Washington regarding the negotiation of reciprocal trade treaties under the special tariff powers given to President Roosevelt by Congress at its previous Session. Mr. Bennett replied, simply, that the two Governments were continuing to explore the possibilities of a trade agreement. Then on June 27, in reply to a question of the Hon. Ian Mackenzie (Lib., Vancouver Centre), the Prime Minister made a brief statement regarding the legislation at Washington providing for the establishment of foreign or free trade zones in ports of entry and he reviewed the history of free port efforts in Canada. There was a brief discussion on this question and it was ended with the remark of Mr. Duff that "if we had free trade we would not need free ports."

The rejection by the United States Senate on Mar. 14, 1934, of the proposed St. Lawrence Deep Waterway Treaty brought a brief statement from the Prime Minister in the House on the following day. He regretted the action of the United States Senate, and warmly praised the document as negotiated and signed by the two countries.

Tolls on Canadian Canals. A proposal which alarmed Canadian inland shipping interests and was resisted by representatives from Ontario and the Prairie Provinces was the Motion on Feb. 19 of Peter McGibbon,

M.C., M.D., (Con., Muskoka-Ontario) that all goods shipped through the canals owned and operated by the Government of Canada be subject to taxation. "We have," he said, "some $245,000,000 invested in canals, $280,000,000 invested in wharves and harbours and something over $100,000,000 invested in elevators through harbour commissions and such like. In addition to that, we have spent some $30,000,000 or $35,000,000 in dredging the St. Lawrence River. It may be a surprise to the House to know that the return to the Public Treasury on this vast sum of $600,000,000 or $700,000,000 is practically nothing. The time has come when we should levy on the tonnage passing through these waterways a tax that would bring at least some revenue back to the Public Treasury. It seems almost incomprehensible that a country owning a railway in which we have invested some $2,600,000,000, would build a water transportation system in competition with it for some 1,426 miles and run it absolutely free to every nation in the world."

Opposition to tolls cut across Party lines and included the Prime Minister (Mr. Bennett) and the Minister of Railways and Canals (Hon. R. J. Manion). The main argument was that Western wheat farmers would bear the brunt of the imposts, and it was an inopportune time to increase production costs for the farmers. Tolls also would divert tonnage from eastern ports to the Hudson Bay Railway, Buffalo, the Erie Canal, Vancouver and the Panama Canal. Retaliatory steps by other nations might be invited. In any event, Canada was bound by treaty to place Canadian and United States ships on a toll parity. Dr. McGibbon finally withdrew his Motion, having enlisted only the support of Lieut.-Col. James Arthurs (Con., Parry Sound).

A Canadian Flag. The House on Feb. 19 again shelved the question of a national flag for the Dominion of Canada, which was proposed by C. H. Dickie (Con., Nanaimo). Mr. Dickie observed that Canada was the only important Dominion in the British Empire that had not a distinctive flag, and while expressing his admiration for the Union Jack he believed Canada should have a flag whose design would include the maple leaf and the Union Jack. He was strongly supported by Cameron R. McIntosh (Lib., North Battleford) who in previous Sessions had advocated the appointment of a special committee for the purpose of considering the adoption of a Canadian flag. The Motion was supported by R. S. White (Con., Mount Royal) but was opposed by G. R. Geary and John R. MacNicol, Conservatives of Toronto. On Motion of Lieut.-Col. James Arthurs (Con.) the debate was adjourned by a vote of 64 to 49 and the discussion was not resumed during the Session.

Private Members' Resolutions. Subjects ranging from the shaping of foreign policy to egg and hog grading were dealt with in the Motions of private Members; these provided much of the debating material in the early part of the Session, most of which emanated from C.C.F. Members. William Thomas Lucas (U.F.A., Camrose) sought the creation of a national system of credit and finance in the interests of all the people, but the Prime Minister (Mr. Bennett) reminded him that most of the matters dealt with in the Motion would be dealt with in the proposed banking legislation.

A Resolution of A. A. Heaps (Lab., Winnipeg) urged reduction of hours of labour and increase of purchasing power as a means of unemployment relief; J. S. Woodsworth, C.C.F. Leader, got before the House his programme of social legislation in a Resolution dealing with production and distribution; G. G. Coote (U.F.A., Macleod) accurately anticipated Government action in his Motion calling for a public works programme to be financed by a direct Dominion note issue; William Irvine (U.F.A., Wetaskiwin) urged a national compulsory system of life insurance to displace the operations of private companies; Michael Luchkovich (U.F.A., Vegreville) thought the question of Canada's foreign policy should be dealt with by an appropriate standing committee of the House; H. E. Spencer (U.F.A., Battle River) declared the Federal Government should adopt a definite health policy to be

carried out in co-operation with the Provincial Governments; Miss Agnes Macphail (U.F.O., Grey S.-E.) made her annual attack upon the administration of penitentiaries, and this provoked many lively discussions later in the House and the institution of some reforms by the Government; Peter McGibbon (Con., Muskoka-Ontario) urged the levying of tolls on the Great Lakes canals as a means of raising revenue; C. H. Dickie (Con., Nanaimo) urged the adoption of a distinctive Canadian flag; A. W. Neill (Ind., Comox-Alberni) brought up the live question of unemployment insurance; J. A. Barrette (Con., Berthier-Maskinonge) urged the establishment of a committee to deal with the question of printing or stamping currency, notes and bonds in both the English and French languages; F. H. Pickel (Con., Brome-Missisquoi) advocated more rigorous egg and hog grading and Amendments to the existing legislation; H. Deslauriers (Lib., St. Mary Division of Montreal) asked for a Federal Commission control of the importation of fuel, and made attacks upon the handling of coal in Montreal; J. P. Howden (Lib., St. Boniface) advocated periodic medical examination of the Canadian people and the affording by the Federal Government of medical relief for those suffering from disease; Mr. Woodsworth urged the Federal Government to forbid the export of nickel for armament purposes; and J. L. Brown (Prog., Lisgar) moved an Amendment to the Naturalization Act to provide that a married woman should have her own nationality and not be required to adopt the nationality of her husband; this was withdrawn after a lengthy statement by the Secretary of State.

House of Commons Committees* of 1934: Radio Broadcasting

The House of Commons on Feb. 16, 1934, appointed a Special Select Committee of nine Members of the House to inquire into and report upon the operations of the Canadian Radio Commission; and to advise and recommend what, if any, changes should be made in the existing system of radio broadcasting. The Hon. R. D. Morand was appointed Chairman, with the following Members: T. F. Ahearn, W. A. Beynon, the Hon. P. J. A. Cardin, Onésime Gagnon, E. J. Garland, W. C. S. McLure, Robert McKenzie and D. McK. Wright. After holding twenty meetings and hearing 37 witnesses, including five Members of Parliament, members of the Radio Commission and others identified with radio broadcasting, the Committee presented its final Report to the House on June 28.

It recommended that the Government should consider the advisability of amending the Canadian Radio Broadcasting Act, 1932 (as amended) with a view to securing better broadcasting facilities throughout the Dominion. It expressed the opinion that radio broadcasting could best be conducted by a general manager (the existing management was a Commission of three under the chairmanship of Hector Charlesworth). It further recommended:—that the collection of fees for radio licences should be simplified and that one licence fee should cover only one receiving set and that the provision of the Act dealing with advertising should be more liberally interpreted; that a greater use of electrical transcriptions should be allowed; that, until nationalization of all stations, greater co-operation should be established between privately-owned stations and the Radio Commission; that the Radio Act, Chap. 35 of the Statutes of Canada for 1933, should be renewed until Mar. 31, 1935. The House of Commons adopted the Report on June 29 with very little discussion and the Prime Minister introduced a Bill to extend the Radio Broadcasting Act until Mar. 31, 1935, which was carried through all stages with no opposition. The Prime Minister told the House that engineers of the Marine Department and the Radio Commission would be asked to give further study to the question of improving conditions.

The Civil Service Committee. A Special Select Committee on the Civil Service Act presented its Report to the House of Commons on

*NOTE.—For Price Spreads and Mass-Buying Committee, see page 38.

June 25, 1934. Representations were made to the Committee urging that certain temporary employees who had for long periods been occupying positions of a permanent nature in the Civil Service should be accorded permanent status. The Committee believed that there was justification for granting this and recommended that the Civil Service Commission prepare the necessary regulations. It also considered the granting of permanent status upon the staff of the Soldiers' Settlement Board, being of the opinion that this was in the public interest. Employees of the Service receiving prevailing rates of pay urged that they be allowed to contribute to the Civil Service Superannuation Fund. The Committee decided the factors involved were of so complicated a nature that they could not reach a recommendation. The Report was tabled and taken into consideration by the Government.

The Banking and Commerce Committee. In connection with the decennial revision of the Bank Act the House of Commons Banking Committee gave long consideration to monetary matters during the 1934 Session. The Committee began its sittings on Mar. 6 and continued until well on in June. At the first sitting Major Charles G. Power (Lib., Quebec) moved for an Inquiry into the following matters: (1) interlocking of directorates as between banks, trust companies, insurance companies and important industrial concerns; (2) policies adopted by the banks to combat the effects of the depression; (3) circumstances which attended the Dominion Government's permission to the banks to show investment securities in their monthly and annual statements at a valuation other than the actual or market value thereof; (4) relations of the chartered banks to the wheat pools; (5) circumstances of the Government guarantee of the $60,000,000 loan by the banks to the C.P.R.; and (6) relations between the banks and the pulp and paper industry.

Major Power desired to summon before the Committee Sir Herbert Holt, President of the Royal Bank of Canada, Sir Charles Gordon, President of the Bank of Montreal, and such other bank presidents and directors as the Committee deemed advisable. The two bankers named above were subsequently heard by the Committee which then gave consideration to the Bank Act and the Bank of Canada Act, the latter establishing a new central bank. On Mar. 16 the Hon. Ian Mackenzie gave notice of a Motion involving drastic changes in the Bank of Canada Act, placing the bank entirely in control and ownership of the Government. Discussing the provision requiring the chartered banks to surrender all their gold reserves to the new central bank at the standard price of $20.67 an ounce, R. S. White (Con., Mount Royal) declared this savoured of confiscation, but the proposal was defended by W. C. Clark, Deputy Minister of Finance.

On Mar. 20 the Committee gave consideration to the Government guarantee of a $60,000,000 bank loan negotiated by the Canadian Pacific Railway. E. W. Beatty, K.C., President of the C.P.R., told the Committee that he had turned to the banks only as a last resort after finding the money markets of London and New York closed. Jackson Dodds, General Manager of the Bank of Montreal, explained about the loan arrangement by the eight participating banks. Both Mr. Beatty and Mr. Dodds were questioned at great length. On the same day the Prime Minister appeared before the Committee and defended the loan guarantee by the Government as essential to the well-being of Canada. Without backing from the Government, he said, the loan would have been impossible and the whole credit of Canada might have been endangered if the C.P.R. had defaulted on their obligations. Mr. Bennett was cross-examined by the Hon. J. L. Ralston, Liberal financial critic, and admitted that he thought the rate of interest charged by the banks to the C.P.R. was too high.

On Mar. 22 John I. McFarland, General Manager of the Central Selling Agency of the Western Wheat Pool, appeared before the Committee and for several hours was examined concerning the stabilization operations on the Winnipeg Grain Exchange which were carried out by Mr. McFarland with

Government backing. The witness did not disclose how much wheat he held, but said that a 10 per cent. increase in prices would permit the Dominion Government to close the account without losing a dollar. Mr. McFarland made a long statement about the wheat-selling policy of Canada.

Jackson Dodds appeared before the Committee on Mar. 27 and succeeding days and entered a general defence of the policy of Canadian chartered banks during the depression. Other leading bankers, such as S. H. Logan of the Canadian Bank of Commerce, H. F. Patterson of the Bank of Nova Scotia and Morris Wilson of the Royal Bank of Canada, also were questioned, all of whom maintained that the banks had observed the provisions of the Bank Act and administered their business excellently during the years of depression. On Apr. 12 Mr. Dodds dissipated fears of Committee Members concerning the propriety or desirability of interlocking directorates.

Major C. H. Douglas of London, England, author of the Douglas Credit Scheme, spent several days in Ottawa and outlined his plan to the Committee on Apr. 17.

Sir Charles Gordon, President of the Bank of Montreal, was the principal witness on Apr. 19. He denied that a group of Canadian financiers in Montreal was abusing its financial power. On Apr. 26 the Committee by an overwhelming vote defeated a Motion which would have prevented any bank director serving also as a director of a trust company, insurance company, investment or loan company. G. G. McGeer, M.L.A., of Vancouver, B.C., launched a many-sided indictment against the existing banking system when he appeared before the Committee on May 1. He complained of money dictatorship. On May 17 the Committee defeated by 4 votes a Motion to make the new central bank a publicly-owned institution after hearing an address from the Prime Minister (Mr. Bennett). J. H. Gundy of Toronto, appeared before the Committee on May 22 and was examined at great length concerning the Canada Power and Paper Corporation merger and on the following day Sir Herbert Holt was examined on the same subject by a Sub-Committee of the Banking Committee sitting in Montreal. Sir Herbert refuted the suggestion that Canadian bank credit was in the grip of a Montreal group. On June 5 W. C. Clark, Deputy Minister of Finance, answered the protest of Canadian bankers against the taking over of their gold by the new central bank at $20.67 an ounce. He said the Government would be exposed to widespread censure if they followed an alternative course. On June 7 the Committee decided that the bank notes of the new Bank of Canada would be printed and available in either the English or the French language.

The Committee reported Bill No. 18 respecting banks and banking, Bill No. 19, An Act to incorporate the Bank of Canada, Bill No. 33, to amend the Quebec Savings Bank Act and several Private Bills which are listed elsewhere and which received the Royal Assent after passing both Houses of Parliament.

The Railways and Shipping Committee. The House Committee on Railways and Shipping held fewer meetings in 1934 than in previous years. On June 6 the Hon. C. P. Fullerton, Chairman of the Canadian National Railways, appeared before the Committee and took the ground it would be improper for the Canadian National Trustees to enter into any controversy over the suggestions for amalgamation of Canadian railways which had been publicly advocated by E. W. Beatty, K.C., President of the Canadian Pacific Railway. S. W. Fairweather, head of the Bureau of Economics of the C.N.R., told the Committee he had prepared a statement for the Commission on Transportation under the chairmanship of Sir Lyman P. Duff, concerning possible economies from amalgamation of the railway systems. He was questioned by the Hon. W. D. Euler (Lib., N. Waterloo) and Ross W. Gray (Lib., West Lambton). On June 7 a representative of George A. Touche and Company, Auditors for the Canadian National Railways, gave evidence concerning the Company's accounts which he said presented a true picture. A list of executive officers of the Canadian National in 1931 who were in receipt of salaries of $15,000 or more was submitted to the Committee. Including the

President and Chairman of the Company they numbered 37. The total compensation paid them was $677,000 and their personal expenses amounted to $51,000. In 1934 only 6 officers of the Company, including the President, received $15,000 or more and their personal expenses totalled only $5,852.

On June 20 a definite move toward amalgamation of the Canadian National and Canadian Pacific Express and Telegraph Companies was made. The Hon. R. J. Manion, Minister of Railways, read a joint letter from E. W. Beatty and the Hon. C. P. Fullerton, Chairmen of the two railway systems, asking that enabling legislation be passed providing for a merger of the express and telegraph companies. This proposal was discussed by the Committee and the Bill was introduced in the House of Commons, but was withdrawn by the Minister of Railways a few days later.

No further public meetings of the Committee were held after June 20 when the Railway Committee expressed their appreciation of the services of Mr. Fullerton, Chairman of the Canadian National Board of Trustees.

The Committee on Agriculture. Several sittings of the Committee on Agriculture and Colonization were held under the chairmanship of Mark C. Senn (Con., Haldimand) during the 1934 Session and reported the following Bills: The Canada Grain Act Amendment: An Act respecting fruit; Amendments to the Dairy Industry Act; Amendments to the Destructive Insect and Pest Act; Amendments to the Live Stock and Live Stock Products Act. They also reported on the grading of eggs and hogs. On May 11 they considered a separate grade for Garnet Wheat when opposite views were expressed by the Minister of Trade and Commerce (Hon. H. H. Stevens) and the Minister of Agriculture (Hon. Robert Weir). Mr. Stevens said there was danger to Canada's wheat market in the United Kingdom unless Garnet Wheat was kept out of No. 2 Northern Manitoba wheat. On June 8, after further consideration, the Committee reported in favour of separate grades for Garnet No. 1 and Garnet No. 2, No. 1 Garnet to have a minimum weight of 60 lb. per bushel and No. 2 a minimum of 58 lb. The Bill as amended was unanimously reported to the House of Commons and Mr. Weir stated that Mr. Stevens was satisfied with the change.

The Senate During the Session of 1934

Seven new Senators were introduced and took their seats in the Red Chamber immediately after the Speech from the Throne had been read on Jan. 25, 1934. They were: the Hon. Guillaume André Fauteux, K.C., of De Salaberry, Que.; the Hon. Lucien Moraud of LaSalle, Que.; the Hon. Horatio Clarence Hocken of Toronto, Ont.; the Hon. Alfred Ernest Fripp of Ottawa; the Hon. Louis Coté of Ottawa; the Hon. Ralph Byron Horner of Blaine Lake, Sask.; and the Hon. Walter Morley Aseltine of Rosetown, Sask. On Jan. 30 tributes were paid to deceased Members, seven in number, namely: the Hon. Senators Paradis, Tessier, Stanfield, Fisher, Poirier, Béique and Robertson; on Feb. 20, to the Hon. Senator Robert Forke; on Mar. 6 to the Hon. Senator Lawrence A. Wilson, whose unexpected death was announced; and on June 15 to the Hon. Senator J. P. Rankin who had been stricken in the Chamber two weeks previously. The Senate also paid tribute to the memory of the King of Belgium on Feb. 20; and on Mar. 13 to the memory of the Marquis of Aberdeen and Temair who had represented the Crown in Canada from 1893 to 1898.

After paying respects to the departed, the Senate proceeded with the Address-in-Reply to the Speech from the Throne, which was moved by the Hon. H. C. Hocken (Toronto). In the course of his address Senator Hocken paid tribute to unemployed Canadians; advocated readjustments in the economic scheme which would inure to the advantages of all classes; and suggested that the Department of Labour be converted into a Department of Industry charged with the enforcement of regulations affecting capital and labour. The Hon. G. A. Fauteux seconded the Address in an eloquent speech

reviewing the problems of the day. The debate was continued on Jan. 31 by the Hon. Raoul Dandurand (Liberal Leader) who referred to the war clouds overhanging Europe and to a conversation he had had in January, 1933, with the President-elect of the United States (Mr. Franklin D. Roosevelt) when he had pointed out to the latter how seriously handicapped the League of Nations was by the absence of the United States. Senator Dandurand also briefly discussed domestic problems including "the overproduction of wheat," the railway question and unemployment, and concluded with the statement that no system could permanently endure if a large portion of the population was unable to make a living under it.

The Government Leader, the Rt. Hon. Arthur Meighen, followed. After stating that they had all, in a measure, been disappointed with the effectiveness of the League of Nations he proceeded to discuss the condition of the Canadian farmer and industrial worker. No one, he said, could pretend to be satisfied with the condition of agriculture or with the condition of the artisan or the unskilled worker when so many were producing at unprofitable prices or were without employment. He was particularly moved by the plight of young men of twenty, twenty-five and thirty years who had had no opportunity to know the joy of toil and who were walking from place to place vainly seeking something to do, the modern counterpart of the poor creature described by Burns "seeking from his fellow man the right to toil." The Government Leader believed there would have to be a code in industry and "Canada, watching at close range, can learn much from the great experiment which that courageous President (Roosevelt) is now placing upon the stage of his country."

The Hon. J. P. B. Casgrain strongly opposed the establishment in Canada of a central bank and went on to discuss inland navigation and the St. Lawrence waterway scheme. The debate was continued Feb. 1 by the Hon. F. B. Black, who shared Senator Casgrain's doubts about developing the waterway above Montreal but he could not follow the Montreal Senator's conclusions on the central bank proposal, which he discussed at some length. The Hon. George Lynch-Staunton, after discussing banking problems, alluded to the St. Lawrence Waterway Treaty, and especially to some correspondence between the Hon. H. L. Stimson (United States Secretary of State) and the Hon. W. D. Herridge (Canadian Minister to Washington) interpreting certain provisions of the Treaty, which he (Senator Lynch-Staunton) feared would cause trouble in the future. He was also apprehensive about further diversions of water from Lake Michigan by the City of Chicago. The Hon. A. D. McRae of Vancouver delivered a notable address in which he dealt with the outstanding problems confronting Canada. These he enumerated as unemployment, cost of government, railway deficits, unsaleable wheat. The Hon. J. J. Hughes dealt with currency inflation; the Hon. C. E. Tanner enumerated the benefits accruing to Canada under the St. Lawrence Waterway Treaty; the Hon. W. M. Aseltine discussed mixed farming in western Canada; and the Hon. R. B. Horner also addressed the Senate on western agricultural conditions, while the Hon. Rufus Pope spoke on the prospects of a reciprocity agreement with the United States, expressing the view that more was to be hoped for from British Empire trade. The Address was adopted without division.

First reading was given to Bill A., An Act with respect to Hospital Sweepstakes, which was sponsored by the Hon. George H. Barnard. Upon second reading (Feb. 22) Senator Barnard explained that the Bill was identical in form with the one passed by the Senate during the previous Session. The purpose of the Bill was to empower the Attorney-General of any Province to authorize a committee to conduct sweepstakes or lotteries within the Province and to make regulations for their conduct, specifying how much of the proceeds should be applied for the benefit of the hospitals and what percentage should be applied for expenses and for prizes. After a spirited debate the Motion for second reading was carried by 40 to 23 and the Bill went to Committee. An effort was made on Apr. 12 by the Hon. J. H. Rainville to include educational and charitable institutions, in addition to hospitals, but his Amend-

ment was negatived by 35 to 20 and the Motion for third reading was agreed to on the same day by 37-20. (The Bill was rejected by the House of Commons).

An important statement with respect to Canadian insurance legislation was made in the Senate on Feb. 20 by Senator Meighen, the Government Bills to amend the Foreign Insurance Companies Act 1932, and the Canadian and British Insurance Companies Act having been first introduced and considered by the Upper House. Senator Meighen recalled a succession of adverse decisions in the Privy Council which affected the right of the Parliament of Canada to legislate in relation to insurance and the right of the Department of Insurance erected by the Federal Government to supervise the operation of insurance within Canada or even the entrance of foreign companies. The Government had decided to amend the legislation of that time so as to bring it within the very drastic limitations which the Privy Council decisions had imposed. The situation with which the Government had to deal was brought about by the terms of the British North America Act, which gave the Provinces considerable control with respect to insurance companies doing business in Canada. Senator Meighen observed that business conditions in Canada in 1934 were vastly different from conditions in "the horse-and-buggy period for which the Fathers of Confederation had legislated." The Privy Council decisions had placed the business of insurance among Provincial responsibilities and while the Constitution remained as it was the Federal Parliament must refrain from seeking in any form to control or supervise the business of insurance. But while supervision of insurance was Provincial, it was deemed by the larger insurance companies of Canada which were doing business in foreign countries of vital importance to them to have Federal supervision and the *imprimatur* of the Federal authority upon their business, their status and their financial responsibility. This they desired chiefly in connection with their foreign business operations. Five, if not six, of the Provinces desired the Federal Government to continue their supervision over insurance companies (Ontario and Quebec were strongly opposed) and for that reason the Federal Government were seeking sufficient powers to enable them to fulfil that function. It was with a view to making more impregnable the constitutionality of the Insurance Acts passed at the 1932 Session of Parliament that the legislation of 1934 was introduced. It was considered at great length by the Banking and Commerce Committee of the Senate (see Reports of Senate Committees). After weeks of study and considerable contention over a clause enabling Lloyd's Insurance Society of London, England, to obtain a Dominion charter without making the customary deposit of $100,000, the Canadian and British Insurance Companies Bill received third reading in the Senate on Apr. 26 and was sent to the House of Commons. Senator W. E. Foster of St. John, N.B., made an effort to remove the discrimination in favour of Lloyd's but his Amendment to this effect was defeated. (See House of Commons Legislation in this Section).

Second reading to the Courts of Admiralty Bill was given on Feb. 21. This measure made the Exchequer Court of Canada the Admiralty Court of Canada. On Mar. 7 Senator Meighen introduced a voluminous Bill known as Bill E., An Act with respect to Shipping. This had been before Parliament at the previous Session but had been withdrawn because it was necessary before Canada could depend upon the efficacy of her own shipping law in all parts of the world to impose certain duties upon officials beyond the jurisdiction of the Parliament of Canada. Those duties could be imposed only by the respective Governments of the United Kingdom and the Dominions. Consequently, it was recommended that Canada should not cut herself adrift from the protection of the British Shipping Acts until she was quite certain that she could depend upon legislation by the other Dominions. The Bill introduced at the 1934 Session was very much along the line of the 1933 Bill save that it did not cast duties upon British Government officials who were beyond the pale of Canadian legislation. Moreover, there was a suspensory clause which kept Canada under existing British Acts until it was possible for the new Canadian Act to become effective. Describing the comprehensive nature of the Shipping Bill, Senator Meighen said nothing in the way of

legislation introduced since Confederation bore any analogy to the measure. It had been deemed necessary because of the Statute of Westminster, which accepted that it was Canada's duty to enact a shipping law. After months of study in 1933 the Bill had become waterlogged, and eventually was withdrawn. At the 1934 Session a Sub-Committee of the Senate spent many weeks revising the Bill, which came up for consideration of Committee Amendments and third reading on May 31, when an interesting discussion also took place on the flag question. Senator Ballantyne moved an Amendment to Clause 89 of the Bill, in which "a maple leaf in green" had been substituted for "the shield of Canada" on the Canadian ensign. Senator Ballantyne urged restoration of the shield of Canada, and this was agreed to on division, 37-17. Shortly thereafter the Bill was read the third time and passed.

On Mar. 1, the Hon. Charles Murphy called the attention of the Government to the efforts made by the Senate to secure the initiation in the Upper House of Government measures. In a carefully prepared and comprehensive speech, Senator Murphy commenced with the period of Confederation and showed that it was the intention of the great statesmen of that day that the Senate should be an independent House, having a free action of its own, for it could only be valuable as being a regulating body calmly considering the legislation initiated by the popular branch and preventing any hasty or ill-considered legislation which might come from the House of Commons. Senator Murphy said that critics who made merry about what the Senate had cost the country always took care not to mention what the Senate had saved the country, and he cited details showing the total saving in a few years as exceeding $100,000,000. The discussion was participated in by several of the leading Members of the Upper House and resulted in the Government taking action to initiate more legislation in the Senate.

An interesting discussion was precipitated by the Hon. A. D. McRae, who, on Apr. 17 moved "that this House is of opinion that Canada should withdraw from membership in the League of Nations and that no further money should be voted to the League." (This brought an immediate reply in the House of Commons when the Prime Minister stated in answer to the Hon. Ernest Lapointe that the Government of Canada had not the slightest intention of withdrawing from the League of Nations). Senator McRae went into the question very fully and declared, in conclusion, that he would have Canadian boys fight no more in foreign wars. He was followed by Senator Dandurand, a former president of the League, who admitted that the League had not yet reached its objective but contended it was full of promise. Others taking part in the debate were Senators Griesbach, Lynch-Staunton, Michener, Murdock, McLennan, Lewis, Black, Buchanan, Lacasse, Beaubien, Casgrain, Cairine Wilson, Chapais and Meighen.

Many weeks were spent in reviewing, mostly by standing Committees of the Senate, Government legislation with respect to banking, excise, insurance and shipping, the Upper House concluding its duties on July 3, and prorogation taking place that night.

The standing of the Parties in the Senate in January, 1933, was 47 Conservatives and 41 Liberals. A year later it was 51 Conservatives, 38 Liberals, and at the end of December, 1934, it was 50 Conservatives and 35 Liberals, with 11 vacant seats in a Chamber of 96. There were two vacancies in Nova Scotia, 3 in New Brunswick, 3 in Quebec, 2 in Ontario and 1 in Manitoba. Deaths occurring since the 1933 edition of *The Canadian Annual Review* was published were: the Hon. Gideon D. Robertson, Minister of Labour (Cons.), Aug. 25; the Hon. F. L. Béique, Montreal (Lib.), Sept. 12; the Hon. Pascal Poirier, Shediac, New Brunswick (Con.), Sept. 25; and the Hon. J. H. Fisher, Paris, Ontario (Con.), Dec. 1—all in 1933. The following died in 1934: the Hon. Jules Tessier, Quebec (Lib.), Jan. 7; the Hon. John Stanfield, Truro, Nova Scotia (Con.), Jan. 22; the Hon. Robert Forke, Pipestone, Manitoba (Lib.), Feb. 2; the Hon. L. A. Wilson, Coteau du Lac, Quebec (Lib.), Mar. 3; and the Hon. James P. Rankin, Stratford, Ontario (Lib.), June 15.

Committees of the Senate: Sealing and Fishery Interests in Pacific Waters

A Special Committee of the Senate was appointed on Mar. 22 to inquire into the results of existing treaties in connection with the administration of Canadian Sealing and Fishery interests in Pacific waters. Members of the Committee were: the Hon. H. H. Horsey (Chairman); and the Hon. Senators Bourque, Foster, King, Little, Moraud, McCormick, McRae, Sinclair, Tanner and Taylor. The witnesses heard by the Committee were W. A. Found, Deputy Minister of Fisheries; F. D. Burkholder and W. F. C. Devlin, Ottawa furriers; A. W. Neill, M.P.; E. G. Poole, Fish and Game Representative of the Canadian National Railways, Montreal; Thomas Reid, M.P.; J. A. Rodd, Director of Fish Culture, Department of Fisheries; and F. O. Weeks, Chief Accountant, Department of Fisheries. On Apr. 24 the Hon. J. D. Taylor, Acting Chairman of the Committee, levelled severe criticisms at the Department of Fisheries and urged revision of the Sealing Treaty between Canada and the United States. He also asked the Committee to recommend changes to protect the Canadian halibut fishing interests under the Halibut Treaty and urged that the Sockeye Salmon Treaty which Canada had ratified, but which the United States Senate had rejected, be withdrawn as it was no longer satisfactory to Canada. Senator Taylor declared that returns from British Columbia fisheries had slumped from $27,000,000 in 1928 to $10,000,000 in 1932. The policy of the Department was explained at great length by Mr. Found. On May 25 F. D. Burkholder and W. F. C. Devlin of Ottawa (large dealers in seal fur) appeared before the Committee and gave interesting evidence about the processing and marketing of seal skins and the Alaska seal herd. Mr. Found was recalled on May 30 and was followed by A. W. Neill, M.P., who discussed the sealing industry from first-hand knowledge. On May 31 Mr. Found gave evidence about halibut fishing and on June 5 he was questioned at great length concerning British Columbia salmon fisheries.

The Committee presented its Report and recommendations on June 20. Dealing with the Pelagic Sealing Treaty first, the Committee concluded that this Treaty had accomplished its chief object of building up a large and satisfactory seal herd and it said that no substantial reason was apparent why the agreement which had been signed by Great Britain, United States, Russia and Japan should not be continued or revised if need be on similar lines. Alluding to the Halibut Treaty, the Committee was satisfied that the Convention between Canada and the United States for the preservation of the halibut fishery of the North Pacific Ocean and Behring Sea signed at Ottawa on May 9, 1930, had already given proof of the gradual rehabilitation of the halibut industry. The Committee felt, however, that if the Halibut Treaty came up for revision the matter of markets for the halibut should be included in the deliberations. It also thought a revision of the Treaty should either exclude Hecate Strait from its terms or set a fixed and higher percentage of halibut caught in the various areas to Canadians for the privilege granted United States fishermen to fish in Canadian waters.

Concerning the Sockeye Salmon Fishery Convention between Canada and the United States for the protection, preservation and extension of the Sockeye Salmon Fishery in the Fraser River system, signed on May 26, 1930, the Committee regretted it had not been ratified by the United States Senate. It was stated that although the salmon are hatched and reared in Canadian spawning areas, they leave Canadian waters at the age of two years and make for the ocean, but at maturity, or four years of age, in the case of the Sockeye, they return *via* the Strait of Juan de Fuca and the Gulf of Georgia to the Fraser River system again to spawn and die. On the return journey, however, they pass through United States waters and so become a harvest for United States fishermen with their traps and seines before they reach Canadian waters and can be fished by Canadians. Fishery interests of either country, by hostile, greedy, individual action might exhaust the sockeye salmon commercially. The Committee went outside the matters strictly submitted to them in two particulars and advocated that the cultural authori-

ties of the Provinces and the Dominion should co-operate to push ahead with the survey of Canadian inland waters and the stocking of such lakes and streams as might prove suitable for such experiment. The Committee also submitted for the consideration of the Government evidence of sealing vessel owners for compensation in respect of losses sustained in 1892 when they were turned back at Behring Sea. They recommended that at the next Session of Parliament a Standing Committee of the Senate be appointed to review the results on both the Atlantic and Pacific Coasts of this valuable basic Canadian industry.

The Public Accounts Inquiry. A Special Committee of the Senate on Public Accounts under the chairmanship of the Hon. C. W. Robinson of Moncton, N.B., was appointed on Mar. 15 to investigate Federal expenditures and the Report of the Auditor-General with a view to ascertaining what means might be adopted to effect economies or debt reduction. Senator Robinson, who initiated the appointment of the Committee, understood the Senate did not have power to make financial appropriations or propose spending programmes, but he felt it was competent to take steps to save the nation's money. The Special Committee on Apr. 12 and succeeding days examined Georges Gonthier, Auditor-General of Canada; E. G. Blackadar, Superintendent of Government Annuities; and Watson Sellar, Comptroller of the Treasury; all with respect to financial matters. On Apr. 26 the Hon. C. H. Cahan, Secretary of State, appeared before the Committee and gave a comprehensive account of the administration of the Government Printing Bureau over which he had jurisdiction. Mr. Cahan said all Government printing should be done by the Department of Public Printing and Stationery. The amount of Government printing by outside firms had been considerably reduced since 1930, but the Post Office Department still had a substantial amount of printing and lithographing done outside the Government Printing Bureau. Mr. Cahan thought $150,000 to $200,000 could be saved annually by a thorough business-like administration of the Government Printing Bureau. The Special Committee reported to the Senate that time did not permit the hearing of all witnesses whose evidence would be of value, and recommended that the Senate should consider the advisability of reappointing a Special Committee at the next Session to continue the Inquiry.

The Tourist Traffic Committee. The Hon. W. H. Dennis presented the Report of the Special Committee on Tourist Traffic to the Senate on May 22 and it was adopted on May 23. The Rt. Hon. Arthur Meighen (Government Leader) and Hon. Raoul Dandurand (Liberal Leader) both congratulated the Committee on the excellent work it had done. The Report was also widely commended in the Press. On June 18 Supplementary Estimates tabled in the House of Commons contained an appropriation of $100,000 to assist in promoting tourist business in Canada.

During the Summer of 1934 the Dominion Government established the Canadian Travel Bureau as a branch of the Department of Railways and Canals, with D. L. Dolan as Director. Parliament appropriated $100,000 for the work of the Bureau, the major portion to be expended in advertising Canada's tourist attractions. The idea was originated by Hon. W. H. Dennis of Halifax who was appointed Chairman of a Special Committee of the Senate to consider the immense possibilities of the tourist traffic. The Committee (which submitted its Report May 22) was composed of the following Senators: W. A. Buchanan, Lethbridge, Alta.; W. H. Dennis, Halifax, N.S. (Chairman); W. E. Foster, P.C., Saint John, N.B.; R. F. Green, Victoria, B.C.; H. C. Hocken, Toronto, Ont.; R. B. Horner, Blaine Lake, Sask.; C. MacArthur, Summerside, P.E.I.; and G. Parent, Quebec, Que.

The Committee carried on an exhaustive inquiry, learned that Canada's tourist trade in the peak year of 1929 had a value of $309,000,000 and was informed by expert witnesses that $500,000,000 in revenue from tourists might well be set as the objective of a progressive permanent programme of Canadian tourist trade promotion. Directors of various tourist organizations oper-

ated by the Provinces and the transportation companies conferred in Ottawa at the beginning of November, 1934, when plans were made for an intensive campaign to attract visitors to Canada during 1935. The gathering was addressed by the Hon. R. J. Manion, Minister of Railways and Canals, while the Prime Minister was the principal speaker at a dinner, urging courteous and fair treatment of visitors to the Dominion.

The Banking and Commerce Committee. The Senate Committee on Banking and Commerce under the chairmanship of the Hon. F. B. Black had a very busy session considering banking, insurance and shipping legislation. On Feb. 28 Bill B., An Act to amend the Foreign Insurance Companies Act, 1932, was read and considered. Senator Meighen outlined the main objects of the proposed legislation and G. D. Finlayson, Superintendent of Insurance, was heard with respect to the provisions of the Bill. On Mar. 1st the Committee considered Bill C., an Act respecting Courts of Admiralty, which was explained by Senator Meighen and P. M. Anderson, representing the Department of Justice. On Mar. 7 Bill B., respecting Foreign Insurance Companies, was again considered. V. Evan Gray, K.C., of Toronto and Harvey D. Jones, Toronto, Insurance Company Engineer representing the New England Factory Mutual Insurance Companies, appeared before the Committee; and explained their rates, services, assets and liabilities. Mr. Finlayson, Superintendent of Insurance, was heard on the subject of the operation of mutual and reciprocal companies and with respect to the working out of the 1932 insurance legislation. J. A. Mann, K.C., Montreal, and W. A. Baldwin, Montreal, President, All Canada Fire Insurance Federation, were heard on behalf of the Tariff, Fire and Casualty Insurance Companies; they advocated legislation which would place on foreign mutual insurance companies operating in Canada obligations similar to those imposed on Canadian companies. C. P. Plaxton, K.C. of the Department of Justice, was heard in explanation of several clauses of the Bill. Important Amendments were proposed by Senator Meighen respecting appeals from any final judgment given by the Exchequer Court. The Bill was reported with numerous other Amendments. A summary of the measure will be found under "Amendments to Insurance Acts" in this Section.

The Committee next took up Bill F., to amend the Canadian and British Insurance Companies Act, 1932. On Apr. 11 the Hon. N. W. Rowell, K.C., of Toronto, representing the Canadian Life Insurance Officers' Association, was heard on the constitutional aspect of certain previous Federal insurance enactments, and on the desire of the Association for legislative action which would not be subject to further appeal to the Privy Council. P. L. Lukis, of Messrs. Lukis, Stewart and Co., Insurance Brokers, Montreal, was heard in explanation of the constitution and the method of procedure of Lloyd's with respect to the issue of policies. Leighton Foster, Superintendent of Insurance for Ontario, was invited by Senator Meighen to inform the Committee as to the attitude of his Department with respect to the proposed legislation, but he stated that he had no instructions from his Minister. On Apr. 12 G. B. Foster, K.C., Montreal, representing Lloyd's Committee, gave particulars with respect to Lloyd's Trust Deed. Col. P. L. Lukis, of Montreal, was again heard on the methods employed by Lloyd's for the transaction of business in Canada and on Apr. 17 the Hon. N. W. Rowell was heard as to the existing Provincial requirements relating to the licensing of Lloyd's and other companies. The Bill was reported on Apr. 18 with several Amendments.

On May 22 the Committee gave consideration to Bill E. respecting Shipping and heard many witnesses interested in the revision of Canadian shipping laws. These included A. L. W. MacCallum, Manager and Secretary of the Shipping Federation of Canada; P. M. Draper, representing the National Association of Marine Engineers; R. B. Thompson, Secretary of Canada Steamship Lines Limited; and C. B. Hamelin, representing the Montreal Pilots and the Canadian Navigators Federation. On May 23 E. P. Flintoft, K.C., representing the Canadian Pacific Railway; R. C. Holden of the Shipping Federation and the Canadian National Steamships; C. J. Burchell, K.C.,

representing the Halifax Board of Trade; and F. Wilkinson, representing twelve shipping companies on the Great Lakes, were heard. The Committee, on June 12, took up Bill No. 64, An Act respecting Dominion Companies, and heard the Hon. C. H. Cahan, Secretary of State and author of the Bill. Consideration of this matter continued for several days and a summary of its principal provisions as the Bill was finally passed and received the Royal Assent will be found under the title "The Revision of the Canada Shipping Act" (see House of Commons Debates on Legislation).

The Committee on June 15 considered Bill 89, An Act to amend and consolidate the Excise Act (see "House of Commons Debates," this Section). It was explained by David Sim that this measure was to consolidate and bring the law up to date. Major-General J. H. MacBrien, Commissioner of the Royal Canadian Mounted Police, was heard on June 19 in explanation of clauses of the Bill relating to smuggling and the Bill was reported on the same day with several Amendments. On June 19, also, and following days the Committee considered the banking legislation which had been sent up from the House of Commons and which is dealt with fully under the heading of "Commons Committees." The Bill, No. 18, respecting Banks and Banking, was reported on June 20 with several minor Amendments. The Committee also considered very carefully Government legislation with respect to farmers and their creditors, Amendments to the Canadian Farm Loan Act and the Central Bank legislation.

The Agriculture and Forestry Committee. On June 27 the Senate Standing Committee on Agriculture and Forestry, which had been investigating conditions of agriculture generally, submitted its Report, signed by the Hon. J. J. Donnelly, Chairman. Mr. Donnelly presented the following summary—

"During the present Session the Committee have had several meetings. The evidence given by Dr. G. S. H. Barton, Deputy Minister of Agriculture, Ottawa, and Mr. F. E. M. Robinson, Dairy Farmer, Melbourne, Quebec, was of great interest. Dr. Barton dealt with agriculture generally and the report of his evidence contains much useful information. Mr. Robinson dealt largely with the subject of milk and milk products and in a way that convinced the Committee that he has had a very large experience in connection with dairy products.

"At a later meeting of the Committee we had as a witness a gentleman who is at present actively engaged in the cattle trade between Canada and Great Britain. Your Committee was so much impressed with the importance of his evidence that it was arranged to have him meet the Minister of Agriculture, who fully discussed the situation with him. Among other interesting information brought out was a statement by the witness that only 6 per cent. of the beef sold on the Smithfield Market (London, England) was home killed beef. That included Irish and Canadian cattle killed in Great Britain; the other 94 per cent. being largely made up of beef from the Argentine and other southern countries.

"After considering all evidence your Committee are strongly of the opinion that a small delegation of two or three men who have had experience in the raising and marketing of live stock here should be established in England. Their business would be to keep in contact with the Department of Agriculture there, watch market conditions closely, and endeavour to secure for the Canadian producer a much larger share of the British market than he enjoys at present.

"Your Committee are further of the opinion that there should be an additional inquiry into the spread of price between the producer of milk and the consumer of same in our large cities, and desire to suggest to the Government that in the event of the work of the Committee on Price Spreads being continued by a Royal Commission, such Commission deal with the matter above referred to."

Prorogation of the Fifth Session of the Seventeenth Parliament

Parliament was prorogued on July 3, 1934, by His Excellency, the Governor-General. The Speech from the Throne expressed satisfaction that the improvement in economic conditions, as reflected in substantially increased national revenues and trade and the betterment in employment conditions was continuing. It continued as follows:

"The enactment of legislation incorporating the Bank of Canada to operate as a central bank will permit of the exercise of a sound measure of public control over credit and currency in the interests of the economic life of the nation and will secure to Canada a greater measure of freedom in the exchange markets of the world. The decennial revision of the Bank Act has been completed, and necessary Amendments made to improve our monetary and banking institutions.

"Legislation has been enacted to improve the methods and practices of the marketing of natural products. I express the confident hope that this legislation will provide the means by which the producers of primary commodities in this country may exercise over the marketing of their products a degree of regulative control which will inure to the benefit alike of producer and consumer. The Companies Act will provide greater security for investors in Canadian enterprises. The decline in world commodity prices experienced in past years has borne heavily on the producers of primary products, and the farming population has been faced with a great burden of debt. By means of the legislation which has been enacted speedy adjustments without expense to the farmers may be made with creditors, and authority has been granted to the Canadian Farm Loan Board to extend its operations so as to provide the farmer with additional capital by advances on farm mortgages and also by providing intermediate credit. Under the provisions of the Statute of Westminster legislation has been enacted to make effective extra-territorially the laws of Canada relating to navigation and shipping. The provision for the construction of public works and undertakings widely distributed throughout the country will, it is believed, further serve to stimulate economic recovery by providing employment in various lines of activity.

"Among other important measures passed were: an Act to provide for the franchise of electors at elections to the House of Commons, an Act respecting the Bureau for Translations, a consolidation of the Excise Act, measures affecting fruit, dairy, live stock and live-stock products industries, and an Act affecting Canadian and British insurance companies.

"The exploratory work of the Committee on Price Spreads and Mass Buying has awakened public conscience to the need of preventing unfair trade practices and exploitation of workers and price manipulation which unfavourably affects the consumer. Legislation is necessarily deferred until the work of the Committee has been concluded."

Appended is a list of Bills passed during the 1934 Session of Parliament, with the exception of the Divorce Bills. The Public and Private Acts of Parliament are listed, with Chapter numbers and dates upon which they received the Royal Assent. The more important of these measures, such as the Bank of Canada Act, the Natural Products Marketing Act, the Companies Act and the Dominion Franchise Act are reviewed fully elsewhere in these pages.

ASSENTED TO MAR. 28, 1934

Chap.		Bill No.
1.	Appropriation Act, No. 1	41
2.	Appropriation Act, No. 2	52
3.	Auditors for National Railways	17
4.	Canadian Northern Ontario Railway Company and Campbellford, Lake Ontario and Western Railway Company, agreement between	24
5.	Canadian Pacific Railway Company, agreement *re* joint use of tracks and premises at Saint John, N.B.	23
6.	Fisheries Act	7
7.	Ottawa Agreement	8
8.	Royal Canadian Mounted Police	22
9.	Technical Education Act	32

ASSENTED TO APR. 20, 1934

Chap.		Bill No.
10.	Canadian Pacific Railway Company, agreement with *re* tracks at Quebec	25
11.	Criminal Code (Race Meetings)	35
12.	Dairy Industry Act	38
13.	Destructive Insect and Pest Act	39
14.	Precious Metals Marking Act, 1928	2
15.	Relief Measures	42

ASSENTED TO MAY 16, 1934

16.	Appropriation Act, No. 3	82
17.	Bills of Exchange Act	37
18.	Fruit and Honey Act	26
19.	Income War Tax Act (Special Tax)	54
20.	Live Stock and Live Stock Products Act	40
21.	Oaths of Allegiance	57
22.	Salary Deduction Act	55

ASSENTED TO JUNE 28, 1934

23.	Appropriation Act, No. 4	109
24.	Banks and Banking	18
25.	Bureau for Translators	4
26.	Canada Grain Act	53
27.	Canadian and British Insurance Companies	F-72
28.	Canadian National Financing Act	71
29.	Caughnawaga Indian Reserve and Indian Act	90
30.	Chapter four of Statutes of 1915 (Dominion notes, certain issues)	112
31.	Courts of Admiralty	C-88
32.	Customs Tariff	98
33.	Dominion Companies Act	64
34.	Dominion Notes Act	110
35.	Finance Act	111
36.	Foreign Insurance Companies	B-50
37.	Inquiries Act	84
38.	Meat and Canned Foods	6
39.	Quebec Savings Banks	33
40.	Royal Canadian Mounted Police	95
41.	Soldier Settlement Act	94
42.	Special War Revenue	97

ASSENTED TO JULY 3, 1934

43.	Bank of Canada Act	19
44.	Canada Shipping Act	E-91
45.	Canada and British Insurance Companies	128
46.	Canadian Farm Loan	93
47.	Criminal Code	114
48.	Customs Act	124
49.	Customs Tariff	125
50.	Dominion Elections Act	115
51.	Dominion Franchise Act	101
52.	Excise Act	89
53.	Farmers' Creditors Arrangement Act	92
54.	Food and Drugs Act	70
55.	Income War Tax Act	99
56.	Loan Companies Act	123
57.	Natural Products Marketing Act	51
58.	Pension Act	127
59.	Public Works Construction	113
60.	Radio Broadcasting	126
61.	Representation Act	116
62.	Appropriation Act, No. 5	129

Local and Private Acts

63.	Buffalo & Fort Erie Bridge Company	13
64.	Canadian Pacific Railway Company	16
65.	St. Clair Transit Company	100
66.	Thousand Islands Bridge Company	27
67.	Ancient Foresters' Mutual Life Insurance Company	28
68.	Discount and Loan Corporation of Canada	M-58
69.	Personal Finance Corporation	D-43
70.	Prudential Trust Company, Limited	11
71.	Security National Insurance Company	R2-117
72.	Small Loan Company of Canada	15
73.	Wawanesa Mutual Insurance Company	29
74.	Bishop of the Arctic of the Church of England in Canada	9

The Fisheries Act Amendment simply corrected a minor error; the Ottawa Agreement between the City and the Public Works Department was extended for another year; the Royal Canadian Mounted Police legislation related to inspection, veterinary and marine personnel, pensions, duties and offences of members of the Force; the Technical Education Act Amendment extended the availability of balance of appropriation for the following five years; the Criminal Code legislation in Bill No. 35 was introduced by Dr.

Morand of Windsor and provided for race meetings of fourteen consecutive days instead of two seven-day periods; the Dairy Industry Act Amendment made a change in definitions at request of the Provinces; the Destructive Insect and Pest Act was to enable the Provinces to control insect pests; the Fruit and Honey Act related to marketing of those products; the Live stock and Live stock Products Act Amendment changed definitions to comply with modern practices in trade; the Oaths of Allegiance Act Amendment related to the form of special oaths of office; the Salary Deduction Act Amendment restored 10 per cent. cut to Civil Service Employees receiving $1,000 and less per annum; the Courts of Admiralty Act Amendment was to bring Courts of Admiralty law under the jurisdiction of Canada, more particularly having regard to the Statute of Westminster; the Dominion Notes Act Amendment related to elasticity in note issue, gold coverage for Dominion notes and repealed the existing Act; other Finance Department legislation related to establishment of a central bank and decennial revision of the Bank Act governing the commercial banks, which are dealt with fully elsewhere in this volume; the Canada Shipping Act Amendment revised Canadian laws respecting shipping, providing uniformity in shipping laws to give Canada full power over all Canadian ships no matter where they might be and over British or foreign ships in Canadian territory; the Loan Companies Act Amendment applied to charges made by personal loan corporations; the Public Works Construction Bill provided for the construction of public works throughout Canada estimated to cost $40,000,000; The Representation Act changes related to the Dominion elections.

The following Bills were dropped during the 1934 Session:

Criminal Code (Appeals)—introduced by A. U. G. Bury; received only second reading
Criminal Code (Lotteries)—negatived
Hospital Sweepstakes—defeated in Commons
Immigration Act (Definition of Public Charge)—introduced by J. S. Woodsworth; defeated
Immigration Act (Public Charge)—introduced by A. A. Heaps; given six months' hoist
Interest Act—introduced by G. G. Coote; received only second reading
Intoxicating Liquor—withdrawn in Senate
Naturalization Act—introduced by J. L. Brown; withdrawn
Oaths of Allegiance—introduced by the Hon. E. Lapointe; withdrawn
Railway Act (Rates on Grain)—introduced by Thomas Reid; referred to The Railway Commission

Administration of Justice: Criminal Statistics

The total number of indictable offences disposed of by the Criminal Courts of Canada for the year ended Sept. 30, 1933, was 38,927 (Report issued early in 1935). Of this number 5,942 were acquitted and 43 detained for lunacy, leaving 32,942 convictions. The corresponding figures for the previous year were: indictable offences, 37,621; acquitted, 6,206; detained for lunacy, 32; convicted, 31,383. Increases were general in many crimes with no particular crime standing out.

Convictions for non-indictable offences in 1933 were 292,673 as compared with 297,919 in 1932. A 3,812 decrease in Traffic Laws convictions, from 190,660 in 1932 to 186,848 in 1933, accounted for the largest percentage of the decrease, although smaller decreases were recorded in a great number of crimes. Gambling alone showed a marked increase from 14,928 in 1932 to 22,191 in 1933, mostly in the City of Montreal. There was a notable decrease in drunkenness of 3,754 to 18,910 in 1933.

Total convictions by Provinces for 1933 were as follows:

	Indictable	Non-indictable
Prince Edward Island	70	655
Nova Scotia	1,160	3,922
New Brunswick	479	3,483
Quebec	7,713	117,433
Ontario	13,152	124,589
Manitoba	2,667	15,396
Saskatchewan	2,049	6,355
Alberta	2,544	9,698
British Columbia	3,094	11,051
Yukon and N.W.T.	14	91

The total number of juvenile delinquents brought before the Courts during the year ended Sept. 30, 1933, according to the Annual Report compiled by the Judicial Statistics Branch of the Dominion Bureau of Statistics (published in 1934). was 8,862, a decrease of 292 or 3 per cent. from the previous year. Major delinquencies increased slightly over 1 per cent., while minor cases showed a 2 per cent. increase. The majority of the delinquents were native-born.

Royal Canadian Mounted Police. The Report of the Royal Canadian Mounted Police for eighteen months ended Mar. 31, 1934, was submitted by the Commissioner, Maj.-Gen. James H. MacBrien. The year 1933 marked the diamond jubilee of the inception of the Force. A Police Museum was formed at Regina under the administration of the Assistant Commissioner, S. T. Wood. The Commissioner, in his Report, advocated the establishment of an up-to-date training centre at Regina to which all police forces might send selected personnel for instruction, training and refresher courses. On Mar. 31, 1934, the Force numbered 88 officers, 2,072 non-commissioned officers and constables, 137 special constables and 207 members of the Marine Section, or 2,504 of all ranks. Infractions of the Customs, Excise, Indian, Opium and Narcotic Drug and Immigration Acts continued to be the major concern of the Force. The total number of true cases under the heading of Federal Statutes increased from 6,712 for the year ended Sept. 30, 1932, to 11,566 for the year ended Mar. 31, 1934, a change having been made in the police year to correspond with the Dominion's fiscal year. True cases under the Criminal Code numbered 22,384 in the fiscal year 1933-34 as compared with 16,084 in 1932. Under the Customs and Excise Acts 6,285 true cases were handled in 1933-34 as compared with 3,962 in the 1932 twelve-month period ended Sept. 30. In June, 1933, the Force afforded security to the President of the United States (Mr. Roosevelt) during his visit to Campobello Island, New Brunswick, and in July, 1933, handled traffic in connection with the visit of the Italian air fleet to Shediac, New Brunswick, under the command of General Balbo.

Penitentiaries. The Report of the Superintendent of Penitentiaries (Brig.-Gen. D. M. Ormond) for the fiscal year ended Mar. 31, 1934, showed that there were in custody in the eight Federal prisons on Apr. 1, 1933, a total of 4,591 persons, while the total remaining at Mar. 31, 1934, was 4,220. There were 193 life prisoners and 26 who were sentenced to 25 years or more. The vast majority, however, were serving terms of less than eight years, the total of this majority being 3,596, and more than one thousand of them were serving a sentence of two years. Of prisoners under 20 years of age there were 409 and those between 20 and 30 years totalled 1,916. There were 2,373 single, 1,647 married, 179 widowed and 21 divorced inmates of the penitentiaries.

Gross expenditures for the fiscal year were $2,656,024; revenue totalled $101,134, leaving net total expenditures of $2,554,889. Expenditures per convict *per annum* at the different institutions were as follows: Kingston, $589.57; St. Vincent de Paul, $529.20; Dorchester, $656.73; Manitoba, $755.70; British Columbia, $458.84 (this includes the Doukhobor colony on Piers Island, which accounts for low cost *per capita*); Saskatchewan, $771.11; and Collins Bay, $1,125.31.

The Superintendent's Report was critical of the administration of Lieut.-Col. W. B. Megloughlin, M.C., Warden of Kingston Penitentiary (since retired). Commenting on Kingston Penitentiary, he said: "The discipline in the Penitentiary during the year has been most unsatisfactory. Notwithstanding the innovations introduced by the Warden, approximately twenty per cent. of the convicts remained insubordinate and mutinous. Periodically, anonymous documents were passed throughout the Penitentiary, demanding that demonstrations should be made in order that the following should be provided: (1) better food; (2) letter privileges; (3) safety razors and toilet articles; (4) daily and weekly papers; (5) abolition of petty dockets, or

offence reports; (6) more weed, or tobacco; and (7) baseball. It is submitted that if the foregoing were the only causes for complaint that could be produced by the combined plotting of 200 convicts, the physical conditions within the Penitentiary should be looked upon as satisfactory. These anonymous communications advocated sabotage if the requests were not acceded to immediately." The Superintendent's observations with respect to Kingston Penitentiary concluded with this paragraph:

"The Warden neglected to comply with the instructions and regulations requiring that every physically fit convict employed in a shop or at indoor work should be given systematic physical exercises during one-half of the period allotted for exercise. He contented himself with permitting the convicts to play at softball or the tossing of quoits. The softball eventually developed into competitive scheduled games between different convict gangs and was subversive of prison discipline. The Warden was instructed to discontinue this type of exercise in October, 1933, and gave assurance that 'softball will be replaced by free movement exercise just as soon as conditions warrant.' Up to the end of the fiscal year, no systematic exercise of convicts had been carried out, the result being that a large proportion of the convicts did not carry out any physical exercise but were permitted to sit around in groups and watch other convicts taking part in games of softball and the tossing of quoits. This is the only penitentiary in which the Warden and the physician have not reported very satisfactory results following the introduction of systematic and controlled free movement exercises."

Commenting upon the year's work at St. Vincent de Paul Penitentiary near Montreal, the Superintendent's Report stated: "the high standard of discipline for which this institution has been noted for the past seven years has been fully maintained, notwithstanding the fact that some of the worst characters in Canadian penitentiaries are confined to this institution."

Several of the Penitentiary wardens encountered trouble when they introduced the new regulations of the Department with respect to systematic and controlled exercising of prisoners. Lieut.-Col. H. W. Cooper, Warden of the British Columbia Penitentiary, reported as follows: "Some difficulty was experienced upon the introduction of systematic exercises, certain incorrigible and anti-social convicts spreading the propaganda that this type of exercise was of a militaristic nature."

With respect to the Piers Island Penitentiary off the coast of British Columbia, in which 531 Doukhobors (males and females) were incarcerated for successfully defying the Federal and Provincial authorities, for burning schoolhouses and parading in the nude, the Report stated: "This penitentiary is nearing the close of the second year of its existence. A marked change is noticeable in the attitude of these convicts. There are indications of a slight change in their habits of life, and their resistance to rules and regulations has been partially overcome. The great change in attitude has taken place during the past six months. There is no longer the marked aversion to wearing leather boots. The women have commenced to co-operate and are manufacturing their own discharge dresses, as well as knitting socks and mitts for the male convicts. They are also performing certain work of a general nature, which they at first collectively refused to perform. Following the example of the female convicts, certain of the male convicts have voluntarily performed certain work, such as blacksmithing, shoemaking and bookbinding."

Compulsory education for the teachable illiterate convicts was brought into effect in August, 1933. The change of system, only to a small extent, retarded the progress of the older and more showy students. Convicts trying the Departmental examinations continued to make a very excellent showing. General Ormond in his Report made certain observations with regard to the classification which indicated the best results:— "(D) The persistent offenders having had previous penitentiary sentences, and who are anti-social in their outlook and are not corrigible. (C) The large intermediate class having had previous experience in reformatories, jails or penitentiaries. (B) Convicts

having no previous conviction, over twenty-one years of age. (A) Convicts having no previous conviction, under twenty-one years of age." Continuing, he said: "Experience has taught that, in Kingston Penitentiary, there are approximately 8 per cent. of 'D' class convicts, and in St. Vincent de Paul Penitentiary between 5 and 6 per cent. of 'D' class. In the other penitentiaries there are not more than 3 per cent. of 'D' class convicts. However, throughout the whole of the penitentiary population, approximately 15 per cent. can be classed as anti-social and incorrigible, which is a very low figure when one takes into consideration that penitentiaries have in confinement only persons convicted of the major indictable offences." Commenting on the conversational privileges accorded to convicts, the Superintendent said, "up to the present time this experiment has not indicated that any greater dangers to the security of the institutions have developed than existed before the abolition of the silence rule. Wardens do point out, however, that the average conversation is of no reformative value to those taking part. Obviously, convicts who are in association beyond a short period of time become 'talked out' and resort to romancing."

Conditions in the Federal penitentiaries, especially in the Kingston penitentiary, where serious riots had occurred, were the subject of many articles in the Press, particularly *The Globe*, Toronto, and of discussion in the House of Commons during 1933-34. The management of Kingston penitentiary was criticized by Brig.-Gen. A. E. Ross, the Conservative Member for Kingston, by Hon. J. C. Elliott (Lib., West Elgin), F. G. Sanderson (Lib., South Perth), James S. Woodsworth (C.C.F., Winnipeg N.-C.) and Miss Agnes Macphail (U.F.O., S.-E. Grey). Prominent critics outside Parliament had included W. M. Nickle, K.C., of Kingston and also Dr. O. C. J. Withrow of Toronto who wrote a series of articles in *The Globe*, Toronto, subsequently published in book form, about his experiences as an inmate of Kingston penitentiary.

To many of these criticisms, the Hon. Hugh Guthrie, Minister of Justice, replied in the House of Commons on July 3, 1934. He made categorical denial of complaints contained in a letter written by Major W. M. Nickle of Kingston to Archdeacon F. G. Scott of Quebec City, based upon statements of riotous prisoners which were made in court at Kingston. Mr. Guthrie also denied the existence of "a hole" at Kingston penitentiary, explaining that the term had been used for years and referred to punishment cells under the keepers' hall, which were nine in number. He described the paddle, or leather strap, used as a last resort to punish prisoners when they became boisterous and unmanageable. He said there was nothing brutal about it, as claimed by General Ross (a medical doctor). About the latter's complaint of youthful offenders being imprisoned with seasoned convicts, he stated that "between the ages of 18 and 21 there is a total of 364 prisoners in Canada". He added that in a prison population of 2,800 to 4,500 over the previous fifteen years there had not been one single instance of communicated syphilis in the penitentiaries of Canada. The fourth point in Major Nickle's letter was about boy prisoners, two or three boys of fifteen having been sent to the penitentiary for three to seven years. Mr. Guthrie said there were no boys of 15 in the penitentiary in July, 1934, "but there may have been" previously. He dealt at length with a celebrated case concerning John O'Brien, a United States citizen from Detroit known as "Two Gun" O'Brien who, it was alleged, had been kept in solitary confinement for a long period. Mr. Guthrie said there was no such thing as solitary confinement in Canada and had not been for thirty years. The minister exhibited to the House a number of dangerous-looking weapons forged by prisoners in the machine shop in connection with a plot to escape. Some of these were made from files, the longest and most desperate-looking being about 20 inches long, made of good steel and very sharp at the point. The Minister told the House of complaints made by the prisoners and remedied by the administration. These related to the granting of cigarette papers; the silence rule, which was relaxed; the close cropping of hair; open-air exercise and the like. Some of the convicts wanted theatres, radios, football and base-

ball matches. These were not granted. Mr. Guthrie explained that Lieut.-Col. W. B. Megloughlin, M.C., of Ottawa, who had been Warden at Kingston penitentiary for 18 months, had resigned; during the period in office he had a very difficult task, but he did not produce the results the Government had anticipated.

At the end of July, the Prime Minister (Mr. Bennett) accompanied Mr. Guthrie to Kingston for an inspection of the penitentiary and, broadly speaking, was agreeably surprised by what he saw. Upon his return to Ottawa he spoke of the modern sanitary arrangements and the general efficiency of the institution. He had been a little disturbed by the riots and especially by the firing of shots into the cell of "Tim" Buck, a Toronto Communist. The Prime Minister decided against an investigation of penitentiary conditions and administration by a judicial commission, which had been urged in Parliament and in the Press.

Reformative and Corrective Institutions. A Report on industrial training schools, corrective and reformative institutions was published in 1934 by the Dominion Bureau of Statistics summarizing information gathered during the last decennial census. Thirty-five institutions came within the scope of the census: 16 for males; 17 for females; and 2 for both males and females. Detailed information was collected for 4,743 inmates resident in these institutions on June 1 and for 11,281 who were discharged during 1930, making a total of 16,024. The Report gave complete information concerning the inmates of the various institutions covered, the nature of their offences, marital condition, age groups, environment before committed, social habits, mental classification and the like.

Divorces Granted in 1933. A Report issued by the Dominion Bureau of Statistics in April, 1934, showed there were 923 divorces granted in the calendar year 1933, of which 24 were granted by the Dominion Parliament and 899 by the law courts of seven Provinces. As compared with 1932, there was a decrease of 72 divorces. Ontario recorded 304, which was 37 less than the previous year; British Columbia came next with 258; Quebec had 23; Alberta, 135; Saskatchewan, 48; Manitoba, 116; Nova Scotia, 27; and New Brunswick, 12.

Dominion Departmental Reports: National Revenue

The Report of the Department of National Revenue for the fiscal year ended Mar. 31, 1934, (Hon. R. C. Matthews, Minister) showed that total Customs duty collected for the year was $73,154,472, as compared with $77,271,964 in the previous year and $200,479,505 in the peak year ended Mar. 31, 1929. The total value of imports for home consumption was $433,798,625 ($406,383,744 in 1933); and the total exports, $585,654,469 ($480,713,797 in 1933). The total dutiable goods imported were valued at $250,476,412, and the total free goods, $183,322,213. The total dutiable goods imported from the United Kingdom during the fiscal year 1933-34 were valued at $57,037,796 and from the British Empire, as a whole, $74,854,973. The value of the total free goods from the United Kingdom was $48,062,968 and from the British Empire, $65,548,913. The total value of dutiable goods imported from the United States was $139,955,233, and total free goods imported from the United States, $98,232,448. The percentage of duty on the total value of goods entered for home consumption, dutiable and free, was 16.86, as compared with 19.02 the previous year.

The total Excise revenue for the fiscal year 1933-34 was $145,176,663 as compared with $123,478,841 for the previous year. Details of Excise duty in 1934 were: spirits, $7,176,513; validation fee, $323,482; malt liquor, $234,877; malt, $2,773,984; tobacco, $25,857,511; cigars, $347,803; and licences, $54,710. Excise taxes collected during the year were: licences, $42,506; stamps, $4,438,832; automobile tires and tubes, $855,489; matches, $1,672,390; sales tax, $54,-

244,031; playing cards, $240,488; toilet preparations, $862,119; cigars, $120,468; wines, $213,631; ale, beer, etc., $4,718,306; malt products, $209,332; sugar, $14,122,563; transportation and telephones, $1,375,045; interest, $142,328; domestic total, $83,458,930. Sales tax on imported goods totalled $8,979,573 and Excise tax on importations totalled $15,969,276.

The Shipping Report of the Customs Division for the fiscal year ended Mar. 31, 1934, as compared with the previous year, gave the following statistics: vessels built, 5,818 tons (1933, 9,156 tons); vessels registered, 10,375 tons (1933, 25,811 tons); vessels entered inwards and outwards (exclusive of coasting vessels) 82,625,372 tons (1933, 76,272,485 tons); vessels entered and cleared coastwise, 83,766,793 tons (1933, 83,076,181 tons); vessels sold to other countries, 13,570 tons (1933, 37,543 tons) and value $147,850 (1933, $443,250).

The amount collected under the Income War Tax Act during the fiscal year 1933-34 (ended Mar. 31) is shown in the following statement supplied by the Commissioner of Income Tax (C. Fraser Elliott): the amount is classified as to individuals, corporations and 5 per cent. tax, by Provinces including the Head Office:

Provinces	Individuals	Corporations	5 Per Cent. Tax	Totals
Prince Edward Island	$ 25,505.11	$ 96,208.53	$ 7,217.79	$ 128,931.43
Nova Scotia	524,299.52	344,875.35	41,626.55	910,801.42
New Brunswick	471,419.79	164,873.78	21,898.30	658,191.87
Quebec	9,912,171.26	8,750,569.85	1,490,648.46	20,153,389.57
Ontario	14,089,962.03	14,523,600.92	2,933,350.84	31,546,913.79
Manitoba	1,053,597.91	799,023.01	69,287.28	1,921,908.20
Saskatchewan	263,252.70	99,719.78	8,310.85	371,283.33
Alberta	665,273.39	678,115.43	47,035.67	1,390,424.49
British Columbia	1,758,846.12	1,903,302.80	210,227.01	3,872,375.93
Yukon	19,808.03	6,663.95	32.03	26,504.01
Head Office	399,578.66	18,868.82	.....	418,447.48
Totals	$29,183,714.52	$27,385,822.22	$ 4,829,634.78	$61,399,171.52

Pensions and National Health. The machinery of the Department of Pensions and National Health was overhauled during 1933. On Sept. 13, the appointment of Dr. R. E. Wodehouse as Deputy Minister of Pensions and National Health was announced by the Minister, Hon. Murray MacLaren, and on Oct. 1 official announcement was made of the personnel of the new Canadian Pension Commission, bringing into immediate operation the pensions legislation passed by Parliament at its 1933 Session. The new Commission replaced the Pension Tribunal which had been created in 1930. Eight members were appointed: Colonel John T. Thompson, Chairman; Dr. J. F. Ellis, Dr. D. W. Gray, Dr. R. J. Kee, H. A. L. Conn, Sir Richard Turner, v.c., Dr. Lionel Robert and Stephen Jones. To the Pension Appeal Court, succeeding Lieut.-Col. L. R. Laflèche, the new Deputy Minister of National Defence, the Government appointed E. René Richard of Sackville, N.B.

At a Dominion Convention of the Canadian Legion held in Ottawa, Mar. 12 to 15, 1934, important resolutions were passed with respect to pensions payment to returned soldiers, the administration of pensions and the standing of war veterans in the Civil Service. It was the opinion of the Convention that the existing Act was a reasonable one but that it needed to be administered in a sympathetic manner. On Nov. 17, 1934, the Prime Minister announced the retirement from the Dominion Cabinet of Hon. Murray MacLaren, Minister of Pensions and National Health, and the appointment in his stead of Lieut.-Col. the Hon. Donald M. Sutherland, a veteran of the 1st Contingent, Canadian Expeditionary Force, who had been Minister of National Defence since August, 1930. On July 2, 1934, the appointment was announced of Mr. Justice Fawcett Taylor of the Manitoba Supreme Court who had served overseas in one of the mounted rifles battalions, as Acting Chairman of the Canadian Pension Commission, in place of Colonel John T. Thompson, who had been chosen as Dominion Franchise Commissioner.

The Annual Report (issued on Nov. 25, 1934) of the Department of Pensions and National Health for the year ended Mar. 31, 1934, (Hon. Murray MacLaren, Minister) included reports of the work of the Pensions Division, the Canadian Pension Commission, the Pension Tribunal, the Pension Appeal Court, the War Veterans' Allowance Committee and the National Health Division.

Pensions Division—During the fiscal year 1933-34 admissions to hospital were 9,172 as against 10,693 the previous year, while 11,718 received in-patient treatment and 193,388 received out-patient treatment, as compared with 13,342 and 183,635, respectively, during the year 1932-33. Of those in hospital on Mar. 31, 1934, 1,568 were in departmental hospitals and 832 in civil institutions, as compared with 1,656 and 877, respectively, in 1932-33. A marked decrease was reported in the number of orthopædic limbs manufactured, doubtless due to the longer life of the metal limbs which were being used. Pensioners granted relief totalled 12,735 (1932-33, 14,368); relief orders issued amounted to $1,912,563 (1932-33, $1,978,284). The number employed in Vetcraft Shops was 121. Due to amendments to the Pension Act in 1933 a large number of applications for pension had been removed from the list of active cases, as the applicants did not desire to press their claims. Net payments by the Department for the year ended Mar. 31, 1934, showed the following: European war pensions, $41,839,830; war veterans allowances, $1,650,313; unemployment relief, $1,912,563; hospital allowances, $1,314,906; cost of hospital treatment, $2,613,442; Last Post Fund, $40,000; Canadian Legion, $9,000; Transportation, pensioners, patients, etc., $113,741; after-care of blind and transportation of blinded ex-soldiers, $7,018. Other expenditures included $1,064,183 for militia pensions and $1,004,259 for returned soldiers' insurance. Applications for returned soldiers' insurance during the year 1933-34 were 3,007 (1932-33, 1,642) of which 361 were refused for various reasons. The number of policies in force at Mar. 31, 1934, was 28,240, an increase of 704 during the year. Insurance carried totalled $61,069,009, an increase of $769,651. The Pension Tribunal ceased to function on Sept. 30, 1933, as the amended Pension Act became operative Oct. 1 and the new Canadian Pension Commission took charge.

The Canadian Pension Commission—The Pension Act was amended at the 1933 Session of Parliament and, subsequently, became effective on Oct. 1, 1933. The most important change was the abolition of the Pension Tribunal and the Board of Pension Commissioners, and the creation of a new body known as the Canadian Pension Commission, to consist of not less than eight members, provision being made for the continuation of the Pension Appeal Court. There was a decrease of 112 in the number of disability pensions in force at Mar. 31, 1934, as compared with the previous year, while the number of dependant pensions in force decreased by 509. Disability awards in payment at Mar. 31, 1934, were 77,855 and dependant awards 18,236. The total number of beneficiaries under the Pension Act was 261,995, a decrease of 2,845, as compared with the preceding year. Total liability in respect of pensions for the fiscal year ended 1934 was $40,793,425, a decrease of $955,893.

Pension Tribunal—On Mar. 31, 1934, the Pension Tribunal had on hand 2,066 applications which had not been disposed of. During the period Apr. 1, 1933, to Sept. 30, 1933, the Tribunal decided 353 applications favourable to the applicant and 1,145 unfavourable to the applicant, while during the entire period from Oct. 1, 1930, to Sept. 30, 1933, 3,851 cases were disposed of as favourable to the applicant and 6,542 unfavourable to the applicant.

Pension Appeal Court (Justice J. D. Hyndman, President)—The Court rendered the following decisions during the fiscal year, 1933-34, on appeals by Commission Counsel from Pension Tribunal decision: allowed on merits, 613; disallowed, 389; remitted for re-hearing, 71. On appeals by applicant from Pension Tribunal decisions: allowed on merits, 6; disallowed, 861; remitted for re-hearing, 2; and appeals remaining unheard at Mar. 31, 820. On Oct. 1,

1933, E. René Richard was appointed a member of the Pension Appeal Court succeeding Lieut.-Col. L. R. Laflèche (Deputy Minister of National Defence).

The National Health Division—Satisfactory progress in the Food and Drugs Branch was continued, an increase in the work and analysis of food and drug products for the detection of adulteration and misbranding having been shown. Excellent work had been continued by the Narcotic Branch in the control of narcotics through legal channels, the prevention of illegal traffic and the prosecution of those who were found peddling drugs or in possession of morphine, etc. The Proprietary or Patent Medicine Branch supervised the manufacture, importation and sale of proprietary medicines. The Public Health Engineering Service continued its work in connection with the protection of health of tourists, the travelling public and persons engaged in transportation activities, water supplies, particularly with regard to the pollution of inland waters and water carried on vessels and on trains. Out of nearly twelve million passengers carried on vessels under the supervision of this Branch there had been only eleven cases of typhoid fever, traceable to ships, known to the Department. Sick Mariners' dues were collected from 683 vessels and treatment was given to 3,344 mariners. Under the Quarantine Service 2,686 vessels were inspected. No cases of quarantinable disease occurred on the Atlantic, but on the Pacific coast nine cases of smallpox were quarantined.

Immigration Medical Service—The Immigration Medical Service examined 5,814 prospective immigrants to Canada before they embarked and 5,278 after arrival in Canada. Examination centres were maintained at London, Liverpool, Glasgow, Belfast, in the British Isles and at Paris, Hamburg and Antwerp on the Continent of Europe.

Mental Patients. The First Annual Report of Mental Institutions in Canada for the year 1932 was issued by the Dominion Bureau of Statistics in Feb. 1934. It covered 56 mental institutions which, on Jan. 1, 1932, had 33,359 patients, of whom 18,382 were males and 14,977 were females. First admissions during the year totalled 7,307; re-admissions, 1,886; transfers received 597; making a total of 9,790 admissions during the year.

Public Works. The Report of the Minister of Public Works (Hon. Hugh A. Stewart) for the fiscal year ended Mar. 31, 1933, showed total expenditures on works of construction, maintenance and operation amounting to $14,141,021, a decrease of $8,219,308 as compared with the previous year. The principal outlays were: harbour and river works, $3,044,494; dredging plant, $1,510,173; public buildings, $7,980,561; telegraphs, $529,852; civil government, $667,873. The harbour at Yarmouth, N.S. was dredged to provide accommodation for two new passenger vessels of the Eastern Steamship Company, running direct from Boston and New York to Yarmouth with tourists. Harbour improvements were also carried out at Leamington, Ont., to provide for the shipping of fruit, vegetables and tobacco. A new public building was constructed at Windsor, Ont., costing $695,929.

The Secretary of State. Reports for the two fiscal years, 1933 and 1934 were issued by the Secretary of State (Hon. Charles H. Cahan). Eight new boards of trade were registered in 1933 and ten in 1934. No elections were held under the Canada Temperance Act in either year. Under the Ticket-of-Leave Act the Remission Division dealt with the following criminal cases during the year ended Mar. 31, 1934: deportations, 161 (1933, 147); unconditional releases, 606 (1933, 345); conditional releases, 19 (1933, 31); reductions and remission of fines (Excise Act), 51 (1933, 41); remissions of lashes, 9 (1933, 6); reductions of sentences, 2 (1933, 2); releases (mercy), 44 (1933, 12); and "no interference," 1,571 (1933, 1,539). Twenty-seven capital

cases were dealt with during the fiscal year ended Mar. 31, 1934, (25 in 1933), the death sentence being carried out in 17 cases in 1934 (15 in 1933). Two new trade unions were registered (four in 1933). It was reported that the library of the Department, organized in 1904, comprised in 1934 over 100,000 publications dealing with the legislation and history of Canada, the United Kingdom and other British countries. During the fiscal year ended Mar. 31, 1934, 16,719 naturalization certificates were issued (17,136 in 1933) and 21,908 persons were naturalized (23,613 in 1933). The number of companies incorporated in 1934 was 531 (548 in 1933). The total capitalization of new companies having shares with par value only was $30,385,820 in 1934 ($40,043,050 in 1933). The total capitalization of new companies and the increased capital of existing companies amounted to $237,854,380 in 1934 ($190,075,667 in 1933). In September, 1933, E. H. Coleman, K.C., prominent barrister of Winnipeg and Dean of the Manitoba Law School for some time, succeeded Thomas Mulvey, K.C., as Under-Secretary of State.

The *Gypsum Queen* Case. The Reparation Commission, which had dealt with a large number of claims against Germany arising out of the Great War (see previous issues of *The Canadian Annual Review*), completed its labours and no report was issued for the fiscal year ended Mar. 31, 1934. With respect to the *Gypsum Queen* case (see *The Canadian Annual Review, 1933*, page 115, and *1932*, page 95) the Under-Secretary of State, E. H. Coleman, advised on Oct. 16, 1934, that the action was still pending in the Exchequer Court of Canada. The Dominion Government was claiming $71,276 from the Hon. Hance J. Logan, Senator of Canada, and Captain Freeman Hatfield, the latter being master of the vessel and the former his counsel. The Government claimed the money had been secured by fraud, deceit and conspiracy. The whereabouts of Captain Hatfield were unknown in October, 1934, but on Dec. 4, he was found by officers of the Royal Canadian Mounted Police living on a farm near Manchester, New Hampshire. He appeared before a United States Commissioner and declined to waive extradition. (*The Mail and Empire*, Dec. 5). He was charged with "falsely and fraudulently" obtaining from the Canadian Government the sum of $71,276. The case was still in progress at the end of December, 1934.

The Civil Service Commission. The Annual Report of the Civil Service Commission of Canada for the year ended Dec. 31, 1933, stated that the chief endeavour of the Commission during the year had been to assist in effecting economies in the Public Service without lessening its efficiency. The annual saving from economies specified by the Commission was estimated at $2,550,000. Reorganization of the Live Stock Branch, Department of Agriculture; establishment of a central pay office for the Civil Service; improvements in the sale of radio licences; reorganization in the Post Office Department; readjustments in the Government Printing Bureau; improved housing for personnel and Government records; retirement of 425 Government employees who had reached the age of 65; and a study of Federal Government Services which duplicated Provincial Government Services were all the subjects of study, reports, and recommendations by the Commission. Approximately 19,000 applications for employment were filed with the Commission during the year and 11,911 persons were examined, preference being given to qualified veterans of the Great War. Of the 80 males assigned to permanent positions during the year, 48 were ex-Service men, and of the 1,454 males assigned for temporary employment 477 were ex-Service men. The Commission prepared new leave-of-absence regulations designed to correct abuses of privileges and to stiffen up the somewhat lax administration of the existing regulations. Newton MacTavish and J. Emile Tremblay, Commissioners, were retired Apr. 1, 1933, and were replaced by Charles H. Bland and Adrien Potvin. The Hon. W. J. Roche remained as Chairman of the Commission.

National Defence. The Annual Report of the Department of National Defence for the fiscal year ended Mar. 31, 1933, gave a comprehensive account of the Militia, Air and Naval Services. Central training camps were not held for units of the Permanent Force during 1932-33, training being carried out at unit stations and in camps in the respective military districts. In the non-permanent active militia unit, training, other than that of artillery and certain engineer units, was confined to ten days either at local headquarters or in district or local camp. The total numbers of non-permanent active militia trained were 5,237 officers and 33,204 other ranks. No new cadet corps were authorized. A large quantity of historical material relating to the Great War, consisting of regimental histories and the like were received from ex-officers of the Canadian Expeditionary Force by the Historical Section of the Department. Regimental histories of the 15th and 16th Infantry Battalions, C.E.F., were published during the year, also short histories of the Royal Canadian Dragoons and the 2nd Canadian Heavy Battery, while other battalion histories were in course of preparation. Canadian official motion picture films of the Great War were being prepared by a Committee headed by Dr. A. G. Doughty, Dominion Archivist. The Royal Canadian Air Force and Civil Government Air Operations directorates were consolidated, and, together with the Aeronautical Engineering Division, were placed under the Senior Air Officer. The Air Force was reorganized because of the reduction in strength by 78 officers, 100 airmen and 110 civilians at the end of the fiscal year 1931-32. The Peace establishment and strength of the Active Air Force as at Mar. 31, 1933, was: establishment, the Permanent Active Air Force, 249 officers and 908 airmen; and the Non-Permanent Active Air Force, 128 officers and 624 airmen; and the strength, 103 officers and 591 airmen of the Permanent Active Air Force. The report of the Adjutant-General stated that on Mar. 31, 1933, the strength of the Permanent Active Militia in warrant officers, non-commissioned officers and men was 3,164, compared with 3,300 a year previously.

The Quartermaster-General reported on the Engineer Services, Supplies and Transport, Equipment and Ordnance Services and mentioned that stable accommodation for the various mounted units was being relieved owing to the artillery being gradually mechanized.

The Comptroller of Civil Aviation reported, Dec. 31, 1932, that there were in Canada 73 commercial aircraft operators and 348 registered civil aircraft, 419 commercial air pilots, 356 private air pilots, 341 air engineers and 81 aerodrome licences in force. Expenditure on Militia, Air and other Services in 1932-33, totalled $11,978,028, as compared with $15,329,053 the previous fiscal year.

On Jan. 1, 1934, Commodore Walter Hose, who had been Director of the Canadian Naval Service since 1921, relieving Admiral Kingsmill, retired. His career had begun in 1890 when he joined H.M.S. *Britannia*, the training ship for the Royal Naval cadets. He had a fine record in the Great War and during his tenure of the highest naval appointment in Canada important developments took place, such as the institution of the Royal Canadian Naval Volunteer Reserve. He attended four Imperial Conferences as Naval Adviser of Canada. The total authorized complement of the Royal Canadian Navy permanent forces at Mar. 31, 1933, was 104 officers and 792 ratings and the total actually serving was 88 officers and 781 ratings. The ships in commission were *Saguenay, Skeena, Vancouver, Champlain, Festubert* and *Armentieres.* The Royal Canadian Naval Reserve had 37 officers and 157 ratings in service, all recruited from amongst seafaring Canadians.

The Department of National Defence undertook in the Autumn of 1932 the organization and administration of various unemployment relief camps. At Mar. 31, 1933, there were 21 camps in operation and arrangements were in hand for additional undertakings of this character.

Department of the Interior. The Annual Report of the Department of the Interior (Hon. Thomas G. Murphy, Minister) for the fiscal year ended Mar. 31, 1933, was divided into six parts: (1) Dominion Lands Administration; (2) Forestry; (3) National Parks of Canada; (4) Water Power and Hydrometric Bureau; (5) Topographical Survey; and (6) Geodetic Survey and International Boundary Commission. H. H. Rowatt, C.M.G., Deputy Minister (who later retired) reported that two salient features of the work of 1932-33 were the increasing developmental activities in the North-West Territories and the high level maintained by tourist traffic in the National Parks. The search for precious metals and valuable minerals in the North-West Territories continued with unabated energy, the greatest amount of activity being shown in the region about the east end of Great Bear Lake. The oil wells about fifty miles below Norman, discovered thirteen years previously, were re-opened and gasolene and fuel oil were supplied for propelling the power boats on lake and river and for use at the mines. Deposits of lignite coal at the west-end of Great Bear Lake were opened up, tested and found to be suitable for fuel purposes. During the operating season of 1932-33 it was reported that 55 tons of pitchblende and probably one-third of that quantity of silver ore were shipped out. The silver was refined in British Columbia and the pitchblende was shipped to Port Hope, Ontario, where a reduction plant had been specially built for refining it. The fur trade, while affected by low commodity prices, had for the year an important aggregate production. The health of the natives was good and the drive of the semi-domesticated reindeer herd which was being brought overland from Alaska, was more rapid than in any year since the trek was started at Christmas, 1929. Conditions in Canada's Eastern Arctic, which comprises Baffin, Ellesmere and other islands north of the eastern portion of Canada's Arctic mainland, were reported on by an expedition from the Department. The condition of the 2,400 Eskimos who inhabit the region was satisfactory.

Dominion Lands Administration. The Report of the Chairman, H. E. Hume, of the Dominion Lands Board, dealt with the inspection trip of A. L. Cumming, D.L.S., member of the North-West Territories Council and Chief Mining Engineer. Mr. Cumming travelled by canoe from Fort Smith to Aklavik, visiting schools, hospitals, radio stations and other Government properties, returning by Bear River and inspecting promising mining properties at Echo Bay. The Report also covered fully the annual expedition to the Eastern Arctic, which was under command of Major D. L. McKeand, in the S.S. *Ungava*, a voyage of 9,000 miles being made. The administration of the North-West Game Act, in parks and preserves, and the work of the North-West Territories Council were reviewed.

Forestry. The Report of the Director of Forestry, E. H. Finlayson, estimated the total area of forest lands in Canada at 1,153,000 square miles, the total stand of merchantable timber at 267,733 million cubic feet. The Forest Service continued its work of research in silviculture, forest economics, forest protection and forest products. The division of forest economics rendered important service to the Imperial Economic Conference at Ottawa in 1932 in regard to the production of and trade in forest products. An intensive survey of the Petawawa forest was completed.

The fire season of 1932 was the most serious since 1923, especially in Ontario and Quebec. The area of merchantable timber burned over and the quantity of timber damaged was considerably larger than the average of the five-year period 1928-1932. The Forest Products Laboratories maintained an extensive programme of research in problems presented by the various woodworking industries. Researches connected with the pulp and paper industry formed an important part of the work of the laboratories.

The Dominion Observatory, Ottawa. The Director, R. Meldrum Stewart, supplied the following Report on the work of the Dominion Observatory for 1933:

Meridian Work and Time Service.—Observations with the meridian circle were continued on the regular programme of stars, the sun, moon, and planets until the end of August, 1933. The staff and telescopes were engaged on the work of the International Longitude measurements from then until the 15th of December. At Ottawa clock corrections for longitude were observed with the meridian circle and with a Heyde transit obtained from the Geodetic Survey. With the Heyde, the usual circum-zenithal stars and azimuth stars were observed, as well as Perrier's list of 40 equatorial stars. The regular list of meridian circle clock stars was added to the circum-zenithal and Perrier lists in the observations with the meridian circle. Observations were obtained on 50 nights. At Vancouver, a Heyde transit and a Cooke transit (re-made in the Observatory shop into a very efficient broken-type transit) were used. Observations were obtained on 40 nights. At both Ottawa and Vancouver personal equation machines, designed on the principle of the Naval Observatory machines, were employed. The time signals were received regularly by the method of coincidence by extinction and also by automatic registration when signal strength permitted. Relay and signal lags were recorded on motor driven high speed chronographs. The time service maintained in the various Government buildings was extended to include the Confederation building. Clock beats were, as previously, sent out when requested over telephone and telegraph. Wireless time signals were received daily from Rugby, Annapolis, Bordeaux, Nauen, and Monte Grande. Time signals were broadcast at noon daily, except Sunday, through CRCO on concert wave length, and daily at 3 p.m. and 10 p.m. through the Observatory station on wave lengths of 90, 40.8 and 20.4 metres.

Solar Physics.—Solar spectrograms, 385 in number, were obtained in the λ 5600 region, of centre, midway and limb points, with iodine absorption spectra. About 80 solar photographs were taken. A reduction in staff necessitated the discontinuance of the work on the astronomical cycles in weather and forms of life in Canada, with the exception of the measurement of the remaining tree-sections. Preparation for publication of the earliest solar rotation material was resumed. Time-saving tables for determining heliographic positions and components of rotational velocity were amplified and completed for publication along with a description of a graduated sphere and co-ordinate frame used for the same purposes.

The 15-inch Equatorial.—Observational work was restricted due to illness and reduction of staff, and was further hampered by exceptionally poor seeing conditions during the latter part of the year. 439 individual observations were made with the photo-electric photometer, the following stars being among those investigated: ν Eridani, 42 Camelopardalis, 43 Camelopardalis, ε Ursae Majoris, β Cephei, α Virginis, and γ Ursae Minoris. Most interesting results were obtained from the study of ν Eridani, several light curves of this short period variable showing marked variations of amplitude. As in former years the telescope was made available to visitors every clear Saturday evening.

Photographic Photometry.—Work was continued on the International Cepheid programme. Over one hundred plates were obtained for the determination of the magnitudes of comparison stars, and a few plates for light curves. Measures were made on the comparison stars of several fields but no fields were completed.

Seismology.—During the year 377 earthquakes were recorded at the Ottawa station and of this number 27 were reported to the Press and 21 to Science Service at Washington, D.C. The dates of occurrence and the areas affected by the largest earthquakes registered were as follows:—Mar. 2, 1933, Pacific Ocean near Japan; Mar. 11, 1933, Long Beach, California; Apr. 27, 1933, Alaska; Aug. 28, 1933, South Atlantic near Sandwich Group; Nov. 20, 1933, Baffin Bay. The auxiliary stations at Saskatoon, Halifax, Shawinigan Falls, and Seven Falls were maintained in practically continuous operation throughout the year.

Terrestrial Magnetism.—Owing to restricted appropriations, observational work was confined to the yearly redetermination of the magnetic elements at Ottawa. Investigations relating to the magnetic moment and distribution coefficient of the magnets of magnetometers used in observational work were carried out, and progress was made in the reduction to epoch of all observations made since the inauguration of the systematic survey in 1907.

Gravity.—Owing to restricted appropriations no pendulum field work had been carried on for three years. Some further computations had, however, been made with the 129 stations already established, and a general report on all gravity work so far completed in Canada was in preparation.

Applied Geophysics.—In continuation of the work begun by the Observatory in 1928 a magnetometric and torsion balance survey was made of an iron deposit on the Mattagami river in Northern Ontario. The survey was undertaken in co-operaiton with the Ontario Research Foundation and the Provincial Department of Mines for the purpose of outlining the extent of the deposit which outcrops along the river bank but disappears beneath a considerable covering of clay in the area adjoining the river.

Publications.—Publications during the year included three numbers of the regular series of Publications of the Dominion Observatory, namely Vol. X, Nos. 16, 17, and 18, *Bibliography of Seismology*. Other papers published elsewhere or issued in mimeographed form included the following:—*Smoothed Time-Distance Tables for a Normal-Focus Earthquake; Report on the Torsion Balance and Magnetometric Investigations of 1930; Plumb-line Deflections and Gravity Anomalies in Gaspé Peninsula and their Significance; The Foundations of Earth-Structure Theory; Two Probability Methods for the Determination of Earthquake Epicentres; Epicentral Time and Surface Structure determined for the Tango Earthquake, Japan, Mar. 7, 1927.*

Dominion Astrophysical Observatory. J. S. Plaskett, F.R.S., Director of the Dominion Astrophysical Observatory, Victoria, B.C., reporting on the work of the Observatory for the year ended Mar. 31, 1934, stated that almost the whole time of the 72-inch reflecting telescope, except two hours for visitors every Saturday evening, was devoted to photographing stellar and nebular spectra. A few nights were occupied with direct photography of star clusters for the investigation of stars variable in light. The observing weather was about twelve per cent. below the fifteen-year average. On 177 nights with 1,090 hours observing 723 spectrograms were secured as against the fifteen-year average of 202 nights and 1,238 hours. The work engaged in was as follows: (1) The discussion of the radial velocities of the O to B7 stars was carried to completion during the year with an exhaustive investigation of the proper motions for the same stars and certain revisions resulted for the rotational constants of the galaxy. The distance to the gravitational centre "is now 10,000 parsecs, in agreement with the latest photometric results." (2) Measures of a number of spectra of types F to M, made in earlier years, were incorporated with others and issued in publication form as *The Radial Velocities of 487 Stars*. Of this number 113 had never been observed before. For the stars, in common with other observatories, 1,648 comparisons showed Victoria results only 0.9 km. per sec. more negative than the accepted values. (3) Six spectroscopic orbits were wholly or partially completed during the year. (4) "The full discussion of Wolf-Rayet spectra has now been published and deals with band contours, spectral classification and temperatures." (5) The observation of interstellar calcium and sodium was continued and traces of both have been found in stars as early as B1. (6) "The study of the spectra of the nuclei of planetary nebulae has been continued as well as that of the irregular variable star Z Andromedae which is found to be a double star, one of a very bright variable early-type dwarf and the other a giant M star with a sparse envelope of nebular matter enveloping both." (7) Direct photography of globular clusters was continued

resulting in the discovery of 50 new varibles and the determination of many periods. During the year numbers 9, 10 and 11 of Volume VI of *The Publications of the Observatory* were issued. Approximately 14,680 persons visited the Observatory during the year as compared with 13,085 during the previous year.

National Parks. The Commissioner of National Parks, J. B. Harkin, reported that the number of tourists who visited the National Parks of Canada during the fiscal year 1932-33 exceeded that of any other year with the exception of the preceding year, with a total attendance of 582,350, compared with 616,215 in 1931-32. Under special vote of Parliament satisfactory progress was made during the year with the construction of the Golden-Revelstoke (Big Bend) highway. This road, when completed would form a link of the Trans-Canada Highway. In the Parks there were in 1933 496 miles of motor road; 110 miles of secondary road; 2,415 miles of trail and 1,066 miles of telephone line. Conservation of wild life continued to occupy an important place in the administration of the Parks and game animals were maintaining their numbers.

Water Power and Hydrometric Bureau. The Dominion Water Power and Hydrometric Bureau was called upon to devote much attention to international waterway matters. Intensive hydraulic studies were continued in connection with the application to the International Joint Commission of two hydro-electric power companies for permission to construct and operate works. Actual turbine installation during 1932 resulted in a net addition of 378,923 horse power, bringing the Dominion's total to 7,045,260 horse power. Construction was continuing on several large undertakings. During the fiscal year 1932-33 the average run-off of Canadian rivers, as a whole, was slightly below normal.

Topographical and Air Survey Bureau. The Report of F. H. Peters, Surveyor-General, stated that field work had been drastically curtailed during the fiscal year ended Mar. 31, 1934, only urgent legal surveys having been made. Reduction of work was also true of air photography, about 12,500 new photographs having been received and indexed in the air photographic library. The area covered by oblique photography amounted to 12,000 square miles, while a further area of 1,700 square miles was covered by vertical photography.

Map publication was continued and 29 printed maps were issued, of which 21 were new maps and 8 revisions or reprintings of old maps. During the year 1933-34 the Bureau took over the distribution of the standard map series and general maps of Canada formerly distributed by the Chief Geographer's office, and also assumed the duty of preparing and distributing the maps showing the electoral districts of Canada.

The distribution of maps continued to show a marked increase, the numbers being 25,553 of the National Topographic series, 8,422 of the Department of National Defence maps, 7,135 standard series maps, 5,619 sectional maps, 22,970 miscellaneous maps, 39,378 township and legal plans, and 3,568 publications. The total number of requests dealt with was over 20,000.

Geodetic Survey of Canada. The operations of the Geodetic Survey of Canada during the year 1933, according to the Report of the Director, Noel J. Ogilvie, were as follows: (a) Triangulation: Field operations were carried on in the Georgian Bay area, Lake Huron, on a net which, when completed, would permit making the final adjustment of 1,200 miles of triangulation nets in North-western Quebec and North-eastern Ontario. The net "fixes the geographical position of a large number of lighthouses, church spires, chimneys and other points close to the shore of Georgian Bay and on the eastern end of Manitoulin Island." (b) Precise Levelling: Operations were carried on in Ontario, from Dresden to Sarnia and from Petrolia to Strathroy. Inspection of bench marks was made in Quebec on both sides of

the St. Lawrence River between Montreal and Three Rivers. (c) Geodetic Astronomy and Isostasy: observations were made in connection with the International World-Longitude campaign conducted under the auspices of the International Union of Geodesy and Geophysics.

The International Boundary Commission. In his Report for the year 1933 His Britannic Majesty's International Boundary Commissioner for Canada, Noel J. Ogilvie, stated that during the year monuments were repaired, new monuments were erected, and the boundary vista was recleared on portions of the New Brunswick-Maine, Quebec-New York, British Columbia-Montana, and British Columbia-Washington sections. On the two latter sections of the boundary a more accurate determination than was formerly possible, was made of the positions of the boundary monuments, from geodetic and other triangulation stations in those districts. Special surveys were made and large scale maps were prepared therefrom showing the position of the international boundary with respect to stores and other buildings on or near it, at Trout River, New York, Dundee, Quebec, and St. Regis, New York. Inspection by the Commissioners was made of parts of the southern boundaries of Quebec and British Columbia.

Indian Affairs. The Report of the Department (Hon. Thomas G. Murphy, Superintendent-General) for the year ended Mar. 31, 1934, contained the Report of Dr. Harold W. McGill, Deputy Superintendent-General. This stated that during the year the Indians had held their own reasonably well in respect of economic and health conditions when the unfavourable situation throughout the country generally was taken into consideration. The Indian population remained at about 108,000, there having been no decline in recent years. There were 79 residential and 256 day schools in operation; the total enrolment was 17,448 and the average attendance, 13,352. The expenditure for Indian education from Parliamentary appropriation was $1,620,129, a decrease of $92,094, as compared with the previous year. At Mar. 31, 1934, the capital of the Indian Trust Fund amounted to $13,602,564, as against $13,580,007 at the end of the preceding year. The amounts expended from the Consolidated Revenue Fund were: voted by Parliament for purposes of the Department, $4,146,887 and, annuities by statute, $233,135.

Vital Statistics. The following table contains a condensed summary of births, deaths, infant and maternal mortality, and marriages in 1933 as given in a preliminary report of the Dominion Bureau of Statistics. Yukon and North-west Territories are not included. The figures for all deaths and for infant mortality both exclude still births:

Provinces	Population in Thousands	Living Births		All Deaths		Infant Mortality		Maternal Mortality		Marriages	
		No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population
P.E.I.	89	1,946	21.9	1,032	11.6	118	60.6	8	4.1	481	5.4
N.S.	522	11,120	21.3	6,022	11.5	791	71.1	49	4.4	3,307	6.3
N.B.	420	10,037	23.9	4,908	11.7	821	81.8	61	6.1	2,517	6.0
Que.	2,970	76,920	25.9	31,636	10.7	7,270	94.5	381	5.0	15,337	5.2
Ont.	3,524	63,597	18.0	35,293	10.0	3,804	59.8	346	5.4	22,587	6.4
Man.	722	13,304	18.4	5,455	7.6	844	63.4	54	4.1	4,819	6.7
Sask.	951	20,119	21.2	6,017	6.3	1,230	61.1	92	4.6	5,360	5.6
Alta.	757	16,009	21.1	5,328	7.0	966	60.3	72	4.5	5,383	7.1
B.C.	712	9,552	13.4	6,210	8.7	438	45.9	44	4.6	4,048	5.7
Canada	10,667	222,604	20.9	101,901	9.6	16,282	73.1	1,107	5.0	63,839	6.0

The total number of illegitimate births in the Registration Area of Canada in 1933 was 8,405, two less than in the previous year, and the percentage of illegitimate of all live births was 3.78. By Provinces, illegitimate births were as follows: Prince Edward Island, 59; Nova Scotia, 666; New Brunswick, 358; Quebec, 2,433; Ontario, 2,782; Manitoba, 503; Saskatchewan, 640; Alberta, 618; British Columbia, 346. The total number of still births was 6,836 as compared with 7,254 the previous year and the percentage of still births of total births was 3 per cent. the same as in 1932. Among causes of death, diseases of the heart were most numerous, the total casualties from this cause totalling 15,483 out of a total of 101,901 from all causes in Canada. The death rate per 100,000 of the population in major diseases was as follows: heart diseases, 145; cancer, 100; diseases of early infancy, 69; diseases of the arteries, 65; tuberculosis of the respiratory system, 53; influenza, 38; cerebral haemorrhage, 30; pneumonia, 61; diarrhoea and enteritis, 32; nephritis, 52; puerperal causes, 10; congenital malformations, 13; senility, 19; violent deaths, 58; typhoid fever, 3; measles, 2; whooping cough, 5; diphtheria, 2; erysipelas, 2; venereal diseases, 4; diabetes mellitus, 12; anaemia, 7; alcoholism, 1; simple meningitis, 3; epilepsy, 3; convulsions, 2; bronchitis, 3; appendicitis, 14; hernia, 10; cirrhosis of the liver, 3; other diseases of the liver, 8; diseases of the prostate, 9.

Deaths from cancer in 1933 numbered 10,646 divided by Provinces as follows: P.E.I., 96; Nova Scotia, 637; New Brunswick, 451; Quebec, 2,724; Ontario, 4,044; Manitoba, 673; Saskatchewan, 591; Alberta, 587; and British Columbia, 843.

The number of deaths from external violence in 1933 (preliminary figures) was 6,173, compared with 6,645 in 1932 and 7,172 in 1931. The rate per 100,000 population was 58 in 1933 as against 63 in 1932 and 69 in 1931. The 1933 rate was the lowest recorded in Canada during the period 1926-33. The highest rate during this period was 73 per 100,000 in 1930. Suicides numbered 917 in 1933 as compared with 1,024 in 1932 and 1,004 in 1931. There were 142 homicides in 1933 as compared with 158 and 172 in 1932 and 1931 respectively. Deaths resulting from accidents in 1933 numbered 5,114 compared with 5,463 and 5,995 in 1932 and 1931. Drownings in 1933, exclusive of those occurring in land or air transportation numbered 993, or 20 per cent. of the total fatal accidents. Land transportation accounted for 1,331 deaths or 26 per cent. of the total. Of these, deaths in automobile accidents numbered 954, or 19 per cent. of all accidental deaths. Excluding those cases where an automobile was involved there were 204 deaths in railroad accidents and 21 in street car accidents. Accidents in mines and quarries accounted for 71 deaths and 23 persons were killed during 1933 in aeroplane and balloon accidents.

Education. An interesting bulletin on the Cost of Education, published by the Dominion Bureau of Statistics in April, 1934, and prepared by J. E. Robbins, M.A., showed from records of the years immediately preceding 1932, that the cost of the average Canadian child's schooling was about $750, and the other costs involved in raising him or her to the age of self-support were about $5,000. In other words, according to this bulletin, it would cost no more to raise six children and give them an average schooling than it would to raise seven completely illiterate. The Report stated that in the seven Canadian Provinces for which records were kept, the average child completed more than eight years of school work. Two-thirds of all children went as far as the final year of the elementary school, about half did some high school work, more than one-tenth continued to a professional school or university and about three out of every hundred went as far as a university degree. The bulletin analyzed the cost of raising and educating children in Canada and reached the conclusion, based on economic conditions in 1930-31 that the total cost of rearing a child during its first 18 years of dependence was $1,550 for food, $800 for clothing, $2,050 for housing and

related costs, $600 for health, recreational and social costs—making a total of $5,000, while the cost of schooling for the average child in the first 18 years was only $750. A second bulletin prepared by Mr. Robbins attempted to show how much money of the total spent by Canadians in a year went to support schools and colleges. It estimated that $4,750,000,000 was expended by Canadian consumers annually, about 55 per cent. of which went for the purchase of food, clothing and shelter, while only about 3.5 went to schools and universities. The expenditure for all Canadian schools and institutions of higher learning, public and private, was estimated in 1930 and 1932 to have been about $165,000,000, while the figure for 1931 was somewhat higher. A third bulletin issued by the Bureau on Apr. 17, 1934, dealt with the expenditure for schools in 1931, as compared with 1913. It showed that expenditure on publicly-controlled elementary and secondary schools increased from $54,000,000 to $140,000,000 or about 160 per cent. during the period reviewed. but that in spite of this increase, a day's schooling was really cheaper in 1931 than in 1913 because the cost of schooling had not increased in as high a proportion as the cost of other things.

A Report on Higher Education in Canada in the academic year ended June, 1933, showed full-time enrolment in Canadian universities and colleges of students of university grade as 33,996 in 1933, as compared with 34,456 in 1932. Pre-matriculation students and others not of university grade totalled 22,978 in 1933 and 24,530 in 1932, while students who were not in attendance full time numbered 28,811, of whom 6,848 were pursuing studies of university grade. Finding other sources of revenue impaired the universities generally found it necessary to increase fees. Current expenditures were reported at $17,722,000 in 1933 as against $18,743,000 in 1932. Capital expenditure, which had averaged nearly $4,000,000 per year in the preceding three years, was reported at $830,000 in 1933. Total assets of universities and colleges of Canada were $170,011,778; the total income was $17,440,958; and the total expenditure, $18,551,998.

A Report on Night Schools in Canada, issued in September, 1934, showed a total enrolment of 66,501 as compared with 86,481 in the previous year. This included only classes that normally operated throughout the winter months and did not include extension courses from Provincial departments. Night classes at universities and colleges had an enrolment of 5,560 in 1933 as compared with 5,598 the previous year. Night classes at private commercial schools had an enrolment of more than 3,000 in eight Provinces (no statistics available for Quebec).

A bulletin on School Playgrounds in Canadian cities showed that in 70 of the largest cities there were 1,578 publicly-controlled schools with 1,829 individual playgrounds in 1933-34. In only 20 of the 70 cities, however, was there supervised play on any of the school grounds during the midsummer vacation, several cities having discontinued this practice as an economy measure within the previous few years. It was stated that 593 schools had auditoriums that could be used as gymnasiums, while 202 had equipped gymnasiums. Only 22 schools had swimming pools, 20 of these being in Ontario. Civic playgrounds in Canadian cities in 1933 were reported in 46 of the 70 cities and 20 of them employed professional recreation leaders.

National Research Council. The Sixteenth Annual Report of the National Research Council, containing the report of the President (H. M. Tory, D.SC., LL.D., F.R.H.S.) for the fiscal year 1932-33, stated that notwithstanding the economic difficulties of the times the Council had realized during the year certain of the major plans to which it had devoted many years of thought and effort, the establishment of National Research Laboratories at Ottawa being a notable achievement. The completion of the laboratories was recognized by a formal opening ceremony in which His Excellency the Earl of Bessborough, Governor-General of Canada, the Rt. Hon.

R. B. Bennett, Prime Minister of Canada, and the Hon. H. H. Stevens, Minister of Trade and Commerce, participated. An important event during the year was the establishment on a permanent basis of the Division of Biology and Agriculture. Dr. Robert Newton, formerly head of the Department of Field Crops at the University of Alberta, was appointed Director. Four active divisions had been in operation in the National Research Laboratories during the year, the Report stated, namely, Physics and Engineering; Chemistry; Biology and Agriculture and Research Information. During the year the fire hazard testing laboratory commenced operations with facilities for the testing of oil burners. The aeronautical laboratories were completed. A study of locomotive design was undertaken for the Canadian National Railways and a radically new streamlined design of locomotive was evolved which reduced air resistance by 25 per cent. Ten studies in aeronautics were undertaken for the Department of National Defence and tests were made on ventilators and motor car models at the request of commercial interests. Artificial drying of grain was the subject of a report and a possible saving to Canada of many millions of dollars was reported, conditions of drying without doing damage having been scientifically determined. It was stated there would be two or three new strains of wheat in two years' time which would be resistant to rust. The new strains were subjected to thousands of tests. The protracted task of developing a type of sheep better suited to Canadian conditions and producing a higher grade of wool was carried a step further. Grants to scholarships, which had totalled $59,335 in 1930-31, unfortunately had been reduced to $17,605 in 1932-33. Four members of the National Research Council having retired, the following were appointed in their places for a period of three years:—A. S. Mackenzie, PH.D., formerly President of Dalhousie University; Abbé Alexandre Vachon, M.A., Laval University, Quebec; John Stephens, M.A., University of New Brunswick; and R. C. Wallace, M.A., President, University of Alberta. The revenue for the year was $453,347, including the Parliamentary appropriation of $410,000; and the total expenditure was $453,347.

Dominion Government Appointments

1933 and 1934

(July 1 to Dec. 31, 1933)

Office	Name	Date 1933
Administrator of the Government of British Columbia (during absence)	Hon. James A. Macdonald	Dec. 21
Aide-de-Camp, Honorary, to H.E. the Governor-General	Lt.-Col. W. P. Wilgar, D.S.O.	Nov. 10
Board of Railway Commissioners for Canada, Member and Deputy Chief Commissioner of	Francois Napoleon Garceau, K.C.	Sept. 16
Canadian National Railways, Trustee of, (Chairman)	Hon. Charles P. Fullerton, K.C.	Dec. 23
Canadian National Railways, Trustee of	Frederick K. Morrow	Dec. 23
Canadian National Railways, Trustee of	J. Edouard Labelle, K.C.	Dec. 23
Canadian Pension Commission, Member of, (Chairman)	Col. John T. C. Thompson, D.S.O.	Sept. 28
Canadian Pension Commission, Member of	Robert John Kee, M.D.	Sept. 28
Canadian Pension Commission, Member of	James F. Ellis, M.D.	Sept. 28
Canadian Pension Commission, Member of	Douglas W. Gray, M.D., C.M.	Sept. 28
Canadian Pension Commission, Member of	Joseph A. L. Robert, M.D., C.M.	Sept. 28
Canadian Pension Commission, Member of	Howard A. L. Conn, M.C.	Sept. 28
Canadian Pension Commission, Member of	Sir Richard E. W. Turner, K.C.M.G.	Sept. 28
Canadian Pension Commission, Member of	Stephen Jones	Sept. 28
Civil Service Commission, Member of	Adrien Potvin	Oct. 7
Commissioner for the purpose of investigating the banking, currency and credit system of Canada and the advisability of establishing a Central Bank, (Chairman)	Rt. Hon. Lord Macmillan, K.C.	July 31
Commissioner of above	Sir Charles S. Addis, K.C.M.G.	July 31
Commissioner of above	Rt. Hon. Sir W. Thomas White, K.C.M.G.	July 31
Commissioner of above	Hon. John Edward Brownlee, K.C.	July 31
Commissioner of above	Beaudry Leman, B.S.C., C.E.	July 31
Commissioner to investigate the status of the Canadian Performing Rights Society *re* certain musical works	Hon. Louis Arthur Audette	Dec. 14

Dominion Government Appointments—*Continued*

Office	Name	Date 1933
Commissioner to inquire into and report if further payments should be made, in addition to the sums provided in the agreement transferring the Natural Resources to the Province of Saskatchewan, (Chairman)	Hon. Andrew K. Dysart	Dec. 29
Commissioner of above	Hon. Henry V. Bigelow	Dec. 29
Commissioner of above	George C. McDonald	Dec. 29
Commission, Secretary of above	Oliver Master	Dec. 29
Commissioner to investigate political partisanship charges against Dominion Government employees in the Province of Nova Scotia	Frank Patterson, K.C.	Nov. 6
Congress of the Universal Postal Union at Cairo, Egypt, Canada's Official Representative	Hon. Arthur Sauvé	Sept. 7
Congress (above), Official Representative	Edward James Underwood	Sept. 7
Congress (above), Official Representative	Hormidas Beaulieu	Sept. 7
Customs, Commissioner of	Hugh Day Scully	Dec. 30
Excise, Commissioner of	David Sim	Dec. 30
Halifax Harbour Commission, Chairman of	Joseph L. Hetherington	Nov. 24
Halifax Harbour Commission, Member of	Obed. P. Goucher	Nov. 24
Chief Justice, Dist. of Quebec, for the Appeal Court of King's Bench	Hon. Albert Sevigny	July 29
Chief Justice, Superior Court, Quebec	Hon. Robert A. E. Greenshields	July 29
Judge, High Court of Justice, Ontario	John Andrew Hope, K.C.	Sept. 11
Judge, High Court of Justice, Ontario	George Franklin McFarland, K.C.	Nov. 30
Judge (Puisne), Superior Court, Quebec	Louis J. A. Brossard, K.C.	Aug. 29
Judge (Puisne), Superior Court, Quebec	Romeo Langlais, K.C.	Dec. 30
Judge (Puisne), Superior Court, Quebec	J. Alfred Prevost, K.C.	July 29
Judge (Puisne), Supreme Court, Nova Scotia	John Doull, K.C.	Oct. 19
Justice (Puisne), Court of Appeal, B.C.	William G. McQuarrie, K.C.	Sept. 6
Justice (Puisne), Supreme Court, B.C.	Harold B. Robertson, K.C.	Sept. 6
Justice of the Court of Appeal and *ex officio* a Judge, High Court of Justice for Ontario	Norman Scarth Macdonnell, K.C.	Sept. 18
King's Printer and Comptroller of Stationery (Dominion)	Joseph Oscar Patenaude	Sept. 16
King's Privy Council for Canada, Member of	Robert Charles Matthews	Dec. 6
Lieutenant-Governor of Prince Edward Island	George Desbrisay DeBlois	Dec. 28
National Revenue, Minister of	Hon. Robert Charles Matthews	Dec. 6
Pension Appeal Court, Member of	E. Rene Richard, LL.B.	Sept. 16
Pensions and National Health, Deputy Minister of, (effective Oct. 1)	R. E. Wodehouse, O.B.E., M.D.	Sept. 13
Secretary of State, Acting, (during absence)	Hon. Hugh Alexander Stewart	Nov. 29
Under-Secretary of State and Deputy Registrar General of Canada	Ephraim Herbert Coleman, K.C.	Sept. 16
Senate of Canada, Member of, (Ontario)	Horatio Clarence Hocken	Dec. 30
Senate of Canada, Member of, (Ontario)	Alfred Ernest Fripp, K.C.	Dec. 30
Senate of Canada, Member of, (Ontario)	Louis Coté, K.C.	Dec. 30
Senate of Canada, Member of, (Quebec)	Hon. Guillaume Andre Fauteux	Dec. 30
Senate of Canada, Member of, (Quebec)	Lucien Moraud, K.C.	Dec. 30
Senate of Canada, Member of, (Saskatchewan)	Ralph Byron Horner	Dec. 30
Senate of Canada, Member of, (Saskatchewan)	Walter Morley Aseltine, K.C.	Dec. 30
Tariff Adviser to the Department of Finance	Robert W. Breadner	Dec. 30

(Jan. 1 to Dec. 30, 1934)

Office	Name	Date 1934
Administrator of the Government of Prince Edward Island (during absence)	Hon. John Alexander Mathieson	Mar. 29
Aide-de-Camp, Honorary, to H.E. the Governor-General	Lt.-Col. G. G. Chrysler, M.C.	Apr. 5
Bank of Canada, Governor	Graham Ford Towers	Sept. 6
Bank of Canada, Deputy Governor	John Arundel Caulfield Osborne	Dec. 12
Buffalo and Fort Erie Public Bridge Authority, Member of	Hon. J. D. Chaplin, M.P.	May 3
Buffalo and Fort Erie Public Bridge Authority, Member of	L. C. Raymond, K.C.	May 3
Buffalo and Fort Erie Public Bridge Authority, Member of	W. G. Wilson	May 3
Canadian Pension Commission, Acting Chairman (to Aug. 6, 1935)	Hon. Fawcett G. Taylor, D.S.O.	Aug. 6
Canadian Radio Broadcasting Commission, Member and Vice-Chairman	Jacques Narcisse Cartier	Nov. 19
Commissioner on behalf of the Government of Ontario to inquire into affairs of the Cities of Windsor and East Windsor and the Towns of Walkerville and Sandwich	J. J. Coughlin	Dec. 8
Commissioner to continue, complete and report on the Inquiry instituted as a Select Special Committee of the House of Commons in respect of chain stores, agricultural implements, fish, flour mills and bakeries and canning of fruit and vegetables (Chairman)	Hon. H. H. Stevens, M.P.	July 7

Office	Name	Date 1934
Commissioner (see preceding page)	Thomas Bell, M.P.	July 7
Commissioner of above	James Ilsley, M.P.	July 7
Commissioner of above	Jean Louis Baribeau, M.P.	July 7
Commissioner of above	Oscar L. Boulanger, M.P.	July 7
Commissioner of above	Alexander McKay Edwards, M.P.	July 7
Commissioner of above	Samuel Factor, M.P.	July 7
Commissioner of above	Donald M. Kennedy, M.P.	July 7
Commissioner of above	William W. Kennedy, M.P.	July 7
Commissioner of above	Mark Senn, M.P.	July 7
Commissioner of above	Edward James Young, M.P.	July 7
Chairman of above (to take the place of Hon. H. H. Stevens who had resigned as Chairman but who remained a member of the body)	William W. Kennedy, K.C., M.P.	Oct. 29
Commissioners (above), confirmed by H.E. in Council	(See names above)	Nov. 19
Commissioner to inquire into allegations affecting the Rt. Hon. Arthur Meighen as Commissioner of the Hydro-Electric Power Commission of Ontario	Rt. Hon. Sir Lyman P. Duff, G.C.M.G.	July 7
Commissioner to inquire into and report if any further payments should be made in addition to those provided for in the agreement with the Province of Alberta with respect to the administration and control of its Natural Resources (Chairman)	Hon. Andrew K. Dysart	July 19
Commissioner of above	Hon. Thomas Mitchell Tweedie	July 19
Commissioner of above	George C. McDonald	July 19
Secretary of above	Oliver Master	July 26
Commissioner to investigate certain cases of alleged over-payments contrary to the Militia Pension Act	J. E. Read, K.C.	Nov. 8
Commissioner of above	R. B. Veits	Nov. 8
Commissioner to investigate and report if there be justiciable grounds for certain claims made on behalf of the estate of the late John Ross for advances made as banker to contractors on Sections 3, 6, 9 and 15 of the Intercolonial Railway	Hon. Louis Arthur Audette	July 6
Commissioner to investigate political partisanship charges against Dominion Government employees in Ontario	H. A. MacNeill	July 19
Commissioner to take into consideration and deal with the recommendation of the "Duncan Commission" 1926, as to financial arrangements (Chairman)	Rt. Hon. Sir W. Thomas White, K.C.M.G.	Sept. 14
Commissioner of above	Hon. John Alexander Mathieson	Sept. 14
Commissioner of above	Edward Walter Nesbitt	Sept. 14
Dominion Council of Health, Member of (to Apr. 1, 1937)	T. O. King	Apr. 11
Dominion Franchise Act, Minister to exercise any authority or perform any function required of a Minister of the Crown under the provisions of	The Hon. the Secretary of State	July 13
Dominion Franchise Commissioner	Col. John T. C. Thompson, o.s.o.	June 30
Dominion Marketing Board, Chairman of	G. S. H. Barton, o.s.c.a.	Aug. 11
Dominion Marketing Board, Member of	Dr. John Franklin Booth	Aug. 11
Dominion Marketing Board, Member of	Clive Davidson	Aug. 11
Dominion Marketing Board, Member of	Albert Gosselin	Aug. 11
Dominion Marketing Board, Member of	Dr. Albert Kenneth Eaton	Aug. 11
Dominion Marketing Board, Secretary of (effective Aug. 20)	Dr. Wilbert Clayton Hopper	Aug. 24
Farmers' Creditors Arrangement Act, Boards of Review for the Provinces of:		
Alberta, Chief Commissioner	Hon. Albert Freeman Ewing	Nov. 19
Alberta, Representative of Creditors	Stanley McCuaig	Nov. 19
Alberta, Representative of Debtors	Horace Brenton MacLeod	Nov. 19
Alberta, Registrar	H. A. Allison	Oct. 31
British Columbia	(Board appointed in 1935)	
Manitoba, Chief Commissioner	Hon. P. J. Montague, C.M.G.	Nov. 22
Manitoba, Representative of Creditors	Arthur Eaton Johnston, K.C.	Nov. 22
Manitoba, Representative of Debtors	Walter Courtney Wroth	Nov. 22
Manitoba, Registrar	W. G. M. Robertson	Oct. 4
New Brunswick, Chief Commissioner	Hon. Charles D. Richards	Dec. 22
New Brunswick, Representative of Creditors	John Dickinson Palmer	Dec. 22
New Brunswick, Representative of Debtors	Arthur McIntosh	Dec. 22
New Brunswick, Registrar	Paul C. Quinn	Nov. 19
Nova Scotia	(Board appointed in 1935)	
Ontario, Chief Commissioner	Hon. John Andrew Hope	Dec. 12

Dominion Government Appointments—*Continued*

Office	Name	Date 1934
Ontario, Representative of Creditors	Lt.-Col. Byron M. Green	Dec. 12
Ontario, Representative of Debtors	Duncan Sinclair	Dec. 12
Ontario, Registrar	John R. Rumball	Dec. 12
Quebec, Chief Commissioner	Hon. Louis Joseph Loranger	Dec. 8
Quebec, Representative of Creditors	Joseph S. Royer	Dec. 8
Quebec, Representative of Debtors	Albert Rioux	Dec. 8
Quebec, Registrar	Albert Sauvage	Dec. 8
Saskatchewan, Chief Commissioner	Hon. Donald MacLean	Nov. 22
Saskatchewan, Representative of Creditors	Gordon Wright Forbes, K.C.	Nov. 22
Saskatchewan, Representative of Debtors	Charles Harlton	Nov. 22
Saskatchewan, Registrar	James Paul	Oct. 11
Federal District Commission, Member of	James Burns Spencer	Oct. 18
Fish Inspection Act, Honorary Inspection Officer for the purposes of	H. A. Lynch	Nov. 8
Governor-General, Deputy	Hon. John Henderson Lamont	June 19
Historic Sites and Monuments Board of Canada, Chairman of (re-appointed Member)	Brig.-Gen. E. A. Cruickshank	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	F. W. Howay, F.R.S.C.	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	J. C. Webster, M.D., D.SC.	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	Prof. D. C. Harvey, M.A.	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	Prof. Fred Landon, M.A.	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	Hon. E. F. Surveyer	Feb. 20
Historic Sites and Monuments Board of Canada, Member of (re-appointed)	J. B. Harkin	Feb. 20
Historic Sites and Monuments Board of Canada, Secretary of	G. Wilford Bryan	Feb. 20
Immigration and Colonization, Deputy Minister of, and Director of Soldier Settlement	Thomas Magladery	Mar. 22
Judge, High Court of Justice, Ontario	William T. Henderson, K.C.	Aug. 16
Judge, High Court of Justice, Ontario	James Cardwell Makins, K.C.	Mar. 29
Judge, High Court of Justice, Ontario	John Alexander McEvoy, K.C.	Feb. 15
Judge (Puisne), Court of King's Bench, Quebec	Gregor Barclay, K.C.	Sept. 1
Judge (Puisne), Superior Court, Quebec	Alexandre Chase Casgrain, K.C.	Apr. 12
Judge (Puisne), Superior Court, Quebec	Alfred Forest, K.C.	Feb. 24
Judge (Puisne), Superior Court, Quebec	Joseph A. Guilbault, K.C.	Feb. 24
Judge (Puisne), Superior Court, Quebec	Cecil Gordon MacKinnon, K.C.	Feb. 24
Justice (Puisne), Supreme Court, B.C.	Frederick G. Tanner Lucas, K.C.	Dec. 3
King's Privy Council for Canada, Member of	Richard B. Hanson, LL.B., K.C.	Nov. 17
King's Privy Council for Canada, Member of	Grote Stirling, C.E.	Nov. 17
Labour (Dominion), Deputy Minister of	William Murray Dickson	Jan. 17
Lieutenant-Governor of Manitoba (effective Dec. 1)	William Johnston Tupper, K.C.	Nov. 17
Lieutenant-Governor of Quebec	Hon. Esioff L. Patenaude, K.C.	Apr. 24
National Defence, Minister of	Hon. Grote Stirling, C.E.	Nov. 17
National Research Council, Member of (to Mar. 31, 1937)	Frank Allen, M.A., PH.D.	June 2
National Research Council, Member of (to Mar. 31, 1937)	R. W. Brock, M.A., LL.D.	June 2
National Research Council, Member of (to Mar. 31, 1937)	F. M. G. Johnson, M.SC., PH.D.	June 2
National Research Council, Member of (to Mar. 31, 1937)	O. Klotz, M.D., C.M.	June 2
National Research Council, Member of (to Mar. 31, 1937)	Tom Moore	June 2
Pensions and National Health, Minister of	Hon. Donald Matheson Sutherland	Nov. 17
Secretary of State, Acting (during absence)	Hon. Hugh Alexander Stewart, K.C.	Aug. 22
Sergeant-at-Arms of the House of Commons	Maj. M. F. Gregg, V.C.	Feb. 13
Stipendiary Magistrate for the Banff, Kootenay and Soho National Parks	Hugh G. Gordon	Nov. 15
Trade and Commerce, Minister of	Hon. Richard B. Hanson, K.C.	Nov. 17
Vancouver Harbour Commission, Member and President of (effective Jan. 1, 1935)	Lt.-Col. R. W. Brock, M.A., LL.D.	Dec. 12

The Dominion of Canada

The Governor General	His Excellency the Rt. Hon. the Earl of Bessborough, P.C., G.C.M.G.

The Canadian Ministry (Conservative)

(As at Dec. 31, 1934)

Prime Minister, President of the Privy Council, Secretary of State for External Affairs	Rt. Hon. R. B. Bennett, P.C., K.C., LL.D.
Minister without Portfolio	Rt. Hon. Sir George H. Perley, G.C.M.G.
Minister without Portfolio	Rt. Hon. Arthur Meighen, K.C.
Minister of Justice and Attorney General	Hon. Hugh Guthrie, K.C.
Minister of Finance	Hon. E. N. Rhodes, K.C.
Minister of Railways and Canals	Hon. R. J. Manion, M.C., M.D.
Minister without Portfolio	Hon. J. A. Macdonald
Postmaster-General	Hon. Arthur Sauvé
Minister of Public Works	Hon. H. A. Stewart, K.C.
Secretary of State	Hon. C. H. Cahan, K.C.
Minister of Pensions and National Health	Lt.-Col. the Hon. D. M. Sutherland, M.B.
Minister of Marine	Hon. Alfred Duranleau, K.C.
Minister of Interior and Superintendent General of Indian Affairs	Hon. Thomas G. Murphy
Solicitor General	Hon. Maurice Dupré, K.C.
Minister of Labour, Minister of Mines and Acting Minister of Immigration and Colonization	Hon. W. A. Gordon, K.C.
Minister of Agriculture	Major the Hon. Robert Weir
Minister of National Revenue	Hon. R. C. Matthews
Minister of Trade and Commerce	Hon. R. B. Hanson, K.C.
Minister of National Defence and Acting Minister of Fisheries	Hon. Grote Stirling, C.E., M.E.I.C.
Speaker of the House of Commons	Hon. George Black, K.C.

Chief Dominion Officers

Clerk of the Privy Council	Ernest J. Lemaire, C.M.G.
Clerk of the Senate	Austin E. Blount, C.M.G.
Clerk of the House of Commons	Arthur Beauchesne, C.M.G., LL.D., LITT.D., K.C.
Governor General's Secretary	A. F. Lascelles, M.V.O., M.C.
Auditor General	Georges C. Gonthier, C.A.
Deputy Minister of the Interior	(Vacant)
Deputy Minister of Public Works	J. B. Hunter, B.A.
Deputy Minister of Trade and Commerce	Major James G. Parmelee, O.B.E.
King's Printer	J. O. Patenaude
Under-Secretary of State	E. H. Coleman, K.C.
Deputy Minister of National Defence	Lt.-Col. L. R. Laflèche, D.S.O.
Deputy Minister of Marine	(Vacant)
Deputy Minister of Fisheries	W. A. Found
Deputy Superintendent-General of Indian Affairs	Harold W. McGill, M.C., M.D.
Deputy Minister of Railways and Canals	Valentine I. Smart
Deputy Minister of Agriculture	George S. H. Barton, D.SC.A.
Deputy Minister of Pensions and National Health	R. E. Wodehouse, O.B.E., M.D.
Deputy Minister of Finance	W. Clifford Clark, M.A.
Deputy Minister of Mines	Charles Camsell, LL.D., F.R.S.C.
Deputy Postmaster-General	(Vacant)
Deputy Minister of Labour	W. M. Dickson
Deputy Minister of Immigration and Colonization	Thomas Magladery
Superintendent of Insurance	G. D. Finlayson, B.A.
Deputy Minister of Justice	W. Stuart Edwards, K.C.
Under-Secretary of State for External Affairs	O. D. Skelton, M.A., PH.D., LL.D.
Commissioner of Customs	Hugh D. Scully
Commissioner of Excise	David Sim
Commissioner of Income Tax	C. Fraser Elliott, K.C.
Registrar of the Supreme Court	J. F. Smellie, K.C.
Dominion Archivist	A. G. Doughty, C.M.G., LL.D.
Chairman, Civil Service Commission	Hon. W. J. Roche, M.O., LL.D.
Civil Service Commissioners	Charles H. Bland and Adrien Potvin
Commissioner Royal Canadian Mounted Police	Major-General J. H. MacBrien
Parliamentary Librarian	Hon. Martin Burrell, P.C.
General Librarian	Felix Desrochers, K.C.
Chief Electoral Officer	Jules Castonguay
Dominion Statistician	R. H. Coats, B.A., F.S.S. (Hon.), F.R.S.C.
President, National Research Council	H. M. Tory, M.A., O.SC., LL.D., F.R.S.C.
Surveyor-General	F. H. Peters
Commissioner of National Parks	J. B. Harkin
Chief Commissioner, Board of Railway Commissioners	(Vacant)
Chief Commissioner, Board of Grain Commissioners	E. B. Ramsay
Comptroller of the Treasury	Watson Sellar
Dominion Franchise Commissioner	Col. J. T. C. Thompson, D.S.O., K.C.

THE PROVINCE OF ONTARIO

The Last Year of the Conservative Administration

The final year (1933-34) of the Henry Government was one of repeated attacks from a rejuvenated Opposition which grew in number and intensity as a general election drew nearer. The Government, because of their majority in the Legislature and the relative ineffectiveness of their opponents, had seemed for years to be almost immune to criticism, but the sweeping character of the charges brought, one after another, by Mitchell F. Hepburn, Provincial Liberal Leader, and his colleagues, in time threw them on the defensive. This attitude of the Administration grew more pronounced as the months passed, their waning popularity inspiring the Liberals to new and more vigorous efforts. Throughout the months following prorogation of the Legislature (Apr. 18, 1933) criticism continued to be focused upon the association of the Prime Minister (Hon. George S. Henry) with the acquisition by the Hydro-Electric Power Commission of Ontario of the Ontario Power Service Corporation, a subsidiary of the Abitibi Power and Paper Company (see *The Canadian Annual Review, 1933*). Arthur G. Slaght, K.C., prominently associated with the Liberal Leader, speaking in Foresters' Hall, Toronto, on July 14, 1933, demanded, in the same connection, the immediate resignation from the Hydro-Electric Power Commission of the Rt. Hon. Arthur Meighen (Senator of Canada) whose name had been associated with Mr. Henry's in the purchase of Ontario Power Service bonds. Duncan McLean Marshall, a former Minister of Agriculture for Alberta (1909-21), and who was later to accept the portfolio of Agriculture in the Hepburn Cabinet, addressing a garden party under the auspices of the High Park Women's Liberal Association on July 7, asserted that "the Abitibi Power scheme is only one of the several 'old men of the sea' with which the Ferguson-Henry-Price-McCrea Government has loaded 'Hydro' up until it is fairly staggering under the mass of junk." (*The Globe*, July 9, 1933). On the same day, Mr. Hepburn, speaking at Russell, branded the Abitibi Canyon Power deal as a "swindle" about which all the facts were not generally known. (Canadian Press dispatch). This was typical of the kind of attack indulged in by Liberal leaders, with many variations and extensions in the course of the pre-Election months. Mr. Hepburn then began to sound a note which later became one of the principal features of his campaign, namely, the scoring of extravagance which he claimed to be rampant in the administration of government, and his promise of drastic economies if returned to power. In a Toronto Liberal rally early in July he promised that Arthur W. Roebuck, who had been nominated for Bellwoods, would

be invited to join his Cabinet in the event of a victory. Later on in the month, speaking at Ottawa he assured French-Canadians of the Province that he would place one of their race in charge of a portfolio if he were made Prime Minister. An action which had begun on Apr. 9, 1933, against Mr. Henry by Louis J. Lafferty, Sandwich, Ontario, seeking to unseat the Prime Minister on the ground that his connection with the Abitibi power deal had made him ineligible to sit in the Legislature, was met by the filing of defence on July 4. Mr. Lafferty claimed that Mr. Henry was liable to a penalty of $2,000 for each day he sat in the Legislature after voting on the Bill which resulted in the Province taking over the Abitibi power development. The Prime Minister denied any violation of the Act or any breach of contract or agreement with His Majesty the King. On Dec. 7, a motion for dismissal of the action, which was unopposed, was granted by Judge J. J. Coughlin. It had previously been ruled at Osgoode Hall that the plaintiff must post $1,200 security for costs of his action.

The statement of Mr. Henry on July 20 that a general election would be called in the "not too distant future" led for a while to general expectation that it would be held before the end of the year, but on Aug. 17 the Prime Minister asserted that the Province was not yet ripe for an election, and on Oct. 18 he made it quite clear that his Government would not go to the country until the Summer of 1934. The Liberals were chafing for an opportunity to engage the enemy in battle and were preparing for a spectacular contest in the vacant East Kent riding. On Nov. 12 Mr. Henry announced the definite intention of the Government to call a By-Election in East Kent early in January, and made an offer to Mr. Hepburn to keep Conservative opposition out of the field if the Liberal Leader would run: this, however, Mr. Hepburn declined to do, stating that he intended to stay with Elgin county. The By-Election was set for Jan. 10, but on Jan. 3 (Nomination Day) to the surprise of the Liberals, their nominee, Douglas Munro Campbell, was permitted to take the seat by default.

In the meantime, something of a political bomb-shell had exploded in the charges made public on Dec. 22, 1933, by Daniel McCaughrin, Police Magistrate at Orillia, to the effect that he had been offered $2,000 to resign from his position in favour of Howard Gover, Police Magistrate at Coldwater, Mr. Gover to pay over the money in instalments. Mr. McCaughrin asserted that the offer had been made in the presence of the Hon. William Finlayson (Minister of Lands and Forests) and consented to by the Hon. W. H. Price (Attorney-General). In the correspondence made public and in later statements from all parties, it appeared that Mr. McCaughrin had been aware that the Department of the Attorney-General was contemplating his retirement, and that, consequently, efforts were being made by all the parties concerned toward some financial provision for the retiring official, who was reported to be in receipt of a very

modest income, and to be supporting an invalid wife. Charges of "selling offices" and an equally warm defence of the incident, characterized a newspaper controversy, which was not settled even after an Inquiry had been conducted by the Standing Committee on Legal Bills during the 1934 Session of the Legislature, which found that "there was no bartering or trafficking in office, and that what took place in Mr. McCaughrin's behalf and at his request was merely an endeavour to provide him with a retiring allowance," the Report being adopted by a vote of 53 to 11. Following the General Election, the Hon. R. G. Fisher (Justice of Appeal in the Supreme Court of Ontario) was appointed a Commissioner under The Public Inquiries Act to make a thorough investigation and report of the incident (see the Sub-Section dealing with this Inquiry). Meantime, it was one of the political sensations of a period in which party feeling was running high, and it was freely used by the Liberals in their campaign leading up to the General Election.

The first definite announcement that the Henry Government was contemplating the amendment of the liquor laws of the Province seems to have been made at Ottawa on Sept. 11, 1933, by the Hon. Charles McCrea (Minister of Mines) who asserted that "there is a large section of public opinion in Ontario which feels that there should be some loosening of the beer regulations. That and other problems will have the consideration of the Government before they appeal to the people." (*The Mail and Empire*, Sept. 12). It was noted that the word used, 'loosening', was the same as that employed by the Hon. G. Howard Ferguson, former Prime Minister, in speaking on the same subject a few weeks before, also at Ottawa. On Oct. 13, Mr. Henry, in response to questions by the Press, stated (*The Globe*, Oct. 14, 1933) that before the Ontario Government went to the polls they would have a definite policy to put before the people on the beer-and-wine issue. He added that it would not necessarily mean that the policy would embody the sale of beer and wine by the glass. Mr. Hepburn, commenting on this assertion, declared that the Government were not going to be allowed to make a beer-and-wine sale policy the issue of the forth-coming Election. On Jan. 23, 1934, because of the rumours going the rounds as to the Government's proposed liquor policy, a deputation of over 100 persons, representing the churches and social service organizations, headed by Dr. A. J. Irwin, of the Ontario Prohibition Union, waited on the Prime Minister at Queen's Park and asked him to assure them that there would be no loosening of the existing Liquor Control Act. Although he replied, "there will be no flood-gates opened nor thousands of premises for selling of beer in this city" (*The Mail and Empire*, Jan. 24, 1934), his answer was taken to mean that the Government had decided to make some modifications in the existing law. While no reference to the forthcoming legislation was made in the Speech From the Throne at the opening of the 1934 Session of the Legislature (Jan. 31, 1934) an Act to amend the Liquor Control Act

was introduced and read in the Legislature (sponsored by the Attorney-General) on Mar. 21 (see Sessional Affairs).

On Jan. 6, 1934, a caucus of the Provincial Liberals was held at Toronto at which W. E. N. Sinclair, K.C., was deposed from the House leadership of the Party, and Dr. George A. McQuibban, Liberal Whip, was chosen to succeed him. Ten of the fifteen Liberal Members of the Legislature were present at the caucus, with Dr. L. J. Simpson (Simcoe Centre) acting as Secretary and William Newman (Victoria North) in the Chair. Neither of these voted on the resolution appointing Dr. McQuibban to the House leadership, the motion carrying 7 to 1. At another caucus held on Jan. 18, 1934, in preparation for the Session, a resolution was unanimously adopted inviting the Progressive, United Farmer and Labour groups in the House to "sit in" at future caucuses "in order that we may present a united front against the present Administration." (Canadian Press dispatch).

The unemployment relief policy of the Henry Government necessitated a number of conferences with the Bennett Administration at Ottawa. Throughout the year 1933-34 endeavours were made to secure the co-operation of the Federal Government in road projects and similar undertakings calculated to give employment. On June 30, 1933, the Hon. Leopold Macaulay, Minister of Highways, announced the letting of seven highway contracts, entailing an expenditure of about a million dollars, while on July 13, Mr. Henry was in Ottawa discussing the construction of the Perth-Actinolite-Marmora highway, which was said to involve the expenditure of $500,000 and to be capable of employing upwards of 1,000 men. On July 21 a Canadian Press dispatch from Ottawa reported that Ontario and the Dominion had entered into a new Unemployment Relief Agreement, practically identical with an Agreement just signed with Quebec. On Oct. 6 the Federal Government announced the approval of public works for Ontario costing $3,714,174, of which $1,763,492 was allocated to Toronto. This programme represented the requests of 15 municipalities, approved first by the Provincial Government and then by the Federal. Toward these projects the two Governments contributed one-third each in labour costs, the municipalities paying the other third, and all the cost of materials. At the same time Mr. Henry announced that the Government proposed, before Winter set in, to increase the number of "jobless camps" which had been established along the route of the Trans-Canada Highway. On Oct. 12 Mr. Finlayson (Minister of Lands and Forests) forecast in an address to the Ward Three Conservative Association, Toronto, the gradual elimination of direct relief and the substitution of work, even if it meant increasing the annual deficit by five or six million dollars (*The Mail and Empire*, Oct. 13). On Nov. 3 Mr. Henry was able to announce a $38,000,000 works programme, planned to employ 61,200 men in what was termed a "Provincial recovery scheme," the principal items of which were as follows: Provincial undertakings,

$2,500,000; Municipal undertakings, $7,500,000; Trans-Canada Highway and board camps, $5,000,000; Northern Ontario development road construction and maintenance, and settlers' road work, $7,000,000; King's Highways, $8,000,000; and County and Township roads, $8,000,000 (*The Mail and Empire*). While direct relief had to be continued, it was hoped that these undertakings would substantially reduce the number of families requiring that form of assistance. A further highway-construction programme was announced on Mar. 30, 1934, by the Minister of Highways, (Hon. Leopold Macaulay), involving the laying of surface on 175 miles, the grading of 124 miles of recently-assumed highway, and the elimination of deep ditches (of which highway engineers were becoming critical, as being a menace to the safety of motorists) along 150 miles of heavily-travelled highways throughout the Province. A new road from Toronto to Allandale *via* Weston and Woodbridge to Schomberg was included in the arrangement. On Apr. 25 Mr. Henry and Mr. Macaulay were in Ottawa arranging with the Hon. W. A. Gordon, Federal Minister of Labour, a further plan for works involving an expenditure of some $15,000,000. A week later the Minister of Highways published the letting of a series of road contracts including 39.15 miles of 20-foot concrete pavement; 74 miles of ten-foot concrete pavement; 46.55 miles of asphalt pavement; 10 miles of re-tread; and 78.9 miles of grading,—the whole expected to employ 20,000 men.

The annual pre-Sessional Financial Statement for the fiscal year ended Oct. 31, 1933, was issued by the Prime Minister (Mr. Henry) on Dec. 29 and showed an Operating Surplus of $476,000. Ordinary Expenditure for the year amounted to $50,897,000 as against Ordinary Revenue of $51,373,000. Explaining how the Government had been able to report a Surplus, instead of the Deficit which had been forecast in the previous Budget, Mr. Henry said: "We spent $1,813,000 less than was forecast and collected $1,615,000 more—chiefly through the Department of Highways in motor vehicle licences and the Gasolene Tax, where the revenue was $1,708,000 more than the estimate. There was also an increase in the revenue of the Department of Lands and Forests of $339,000, and miscellaneous Services of $323,000. On the other hand, there was a decrease from Budget figures of $419,000 in Succession Duties; $133,000 in race track revenues; $48,000 in Land Transfer Tax; and $155,000 in miscellaneous Services." On Jan. 15, 1934, Mr. Henry announced a $40,000,000 Province-of-Ontario debenture issue in three maturities: 3-year, 4-per-cent. debentures at 99, yielding 4.36 per cent.; 6-year, 4½-per-cent. debentures, yielding 4.50; and 15-year, 4½-per-cent debentures, yielding 4.78. The proceeds of the loan were used to retire short-term indebtedness incurred for various purposes, including unemployment relief. On Sept. 14, 1933, the Ontario Government, by Order-in-Council, gave formal approval of the sale by the

T. and N. O. Railway of an issue of $7,500,000 4½-per-cent., 20-year bonds, guaranteed both as to principal and interest by the Province.

The Henry Government continued to stress health matters, and during the year under review (1933-34) the policy of providing radium for cancer victims was put into effect. The first radium for the purpose, secured from the Eldorado Mine at Great Bear Lake, N.W.T., and refined at Port Hope, was delivered to the Hon. J. M. Robb, M.B., Minister of Health, on Aug. 22. It was contained in 25 platinum needles of one, two and three milligram denominations, and was destined for the cancer clinic at Kingston General Hospital, the first to be established following the recommendation of the Royal Commission appointed by the Ontario Government three years earlier. On Apr. 4, 1934, the second of these institutions, the Institute of Radio Therapy at the Toronto General Hospital, was formally opened in the presence of Dr. Robb and supervising officials. Earlier in the year under review, a new health policy had been announced by the Minister while at Alexandria, Ont.; this aimed at the prevention of disease and the promotion of health as its chief factors (*The Mail and Empire*, July 27, 1933) and proposed to provide medical and dental treatment for those patients who were unable to supply such treatment themselves. It was revealed on that occasion that the new policy was already being demonstrated in five eastern counties of Ontario.

In an interview with the representative of *The Mail and Empire* at Ottawa, on Jan. 3, 1934, Mr. Henry asserted that the day was approaching when the Dominion and the Provinces must sit down at a round table conference and "seriously consider" changes in Canada's constitution. "It cannot be expected," he stated, "that a law framed about 70 years ago, as The B.N.A. Act was, can meet all the business and community needs of to-day. Take, for example, the clause which gives the Provinces sole control over property and civil rights. It seems to me that when that clause was written property meant, by and large, real estate. To-day, it means to a good extent, stocks and bonds . . . At the same time, trade and commerce were given to the Dominion. . . . with stocks and bonds and their ownership playing so large a part in trade and commerce, we come to an overlapping of jurisdiction which I am sure the Fathers of Confederation, viewing property as real estate, could not have contemplated." (See Section: "Federal Administration and Politics" for the Dominion Prime Minister's invitation to the Provinces to discuss this question).

The Henry Government suffered two losses by death in the early days of 1934. The Hon. Edward A. Dunlop, Provincial Treasurer, passed away on New Year's Day, after several months of indifferent health, throughout which, until about two months before his death, he continued in office. On Jan. 8 the Cabinet was again stricken in the death of the Hon. J. D. Monteith, M.D., C.M., Minister of Public Works, who had suffered a stroke while attending the funeral

of an old friend, Andrew Malcolm, at Listowel, on Dec. 28. On Jan. 12 the vacancies were filled in the following manner: the Hon. George S. Henry was sworn in as Provincial Treasurer, the Hon. J. M. Robb as Minister of Labour, and the Hon. Leopold Macaulay as Minister of Public Works, all retaining their old portfolios meanwhile.

The 1934 Session of the Legislature

The Fifth and last Session of the Eighteenth Legislature was opened on Jan. 31, 1934, with the usual ceremonies, the Lieutenant-Governor, Colonel, the Honourable Herbert Alexander Bruce, proceeding to the House at three p.m. and formally beginning the Session with the Speech from the Throne. In rather marked contrast with the political atmosphere in the Province, the Speech was of an unsensational nature, and contained little in the way of forecast which had not been already indicated or inferred. No mention was made of "beer by the glass." Tribute was paid to the memory of the two Cabinet Ministers, the Hon. E. A. Dunlop and the Hon. J. D. Monteith, whose deaths had saddened the Province only a few days before. The recovery of business and industry was noticed and the hope expressed that the tendency would be continued at an accelerated rate. While the policy of direct relief for unemployment contributed to by the Dominion and the Province was to continue for the remainder of the year, the funds available would be, it was promised, employed largely in providing work, so as gradually to curtail the necessity for direct relief. Attention was paid to the forthcoming 150th Anniversary of the Landing of the United Empire Loyalists in Upper Canada, and to the 100th Anniversary of the City of Toronto. The Speech found it gratifying that so much progress had been made during the year in the opening up and the developing of markets for the products of Ontario farms, and it was announced that co-operation had been arranged with the Federal Department of Agriculture to improve the quality of beef cattle and to increase the yield of dairy cows. As a favourable evidence of the trend of industry the operations of the Hydro-Electric Power Commission were cited in the following terms: "In December last the actual peak load, including secondary power, carried by the various systems reached the highest point in the history of the Commission. Some three millions of dollars were added to the reserves of the Commission." Referring to the Abitibi development it was stated that contracts already made, and others being arranged, would ensure that the project would be self-sustaining in the early future. It was noted, with approbation, that there had been no interruption, in spite of the depression, in the educational services of the Province. The necessity of Provincial control of the distribution of milk in the interest of health was noted. A large-scale highway construction programme to relieve unemployment was forecast. Dealing with coming legislation, the Speech said: "Among the measures to be submitted for your consideration are Bills to extend The Mortgagors' and Purchasers' Relief Act for another year; respecting lumbering operations and living conditions in camps; respecting bus and truck transportation; to provide for Provincial control for the distribution of milk; concerning the inspection and grading of agricultural products, and for various other purposes."

The Motion, That an Humble Address be presented to the Honourable the Lieutenant-Governor, in Reply to the Speech from the Throne, was moved by Arthur Ellis, K.C. (Ottawa South) and seconded by H. J. Davis (Elgin East). The former, after congratulating Dr. George A. McQuibban on his elevation to the House leadership of the Liberal Opposition, added an ironical touch by turning to W. E. N. Sinclair, K.C., Dr. McQuibban's predecessor, and congratulating him for his ability to "put the interests of the people before party" (*The Globe*, Feb. 2, 1934). The central theme of Mr. Ellis' speech was a laudatory review of the accomplishments of the Government during their long tenure of office. He placed the "Hydro" first, "fathered and

successfully developed by the Conservatives;" then the last four years of relief measures, direct payments to the poor, assistance to bankrupt municipalities, the creation of public works, passage of the Mortgagors' and Purchasers' Act for home owners' protection; social legislation, such as Old Age Pensions and the Workmen's Compensation Act; speedy retribution brought to 'bucketing' brokers; reduction in Provincial expenditure when the need came; and, finally, successful flotation of the greatest bond issue in the Province's history. (*The Globe*). Mr. Davis also relied chiefly upon a recital of the Government's achievements, stressing the work of the Department of Agriculture. He commended the Hon. Thomas L. Kennedy, Minister of Agriculture, for the work he had done "in saving the Province from the effects imposed upon it by the adoption in the United States of the Hawley-Smoot tariff, which had been responsible, he said, for lowering Canada's farm produce exports to the States from $115,520,659 some years before to $24,578,425 for the year ended Oct. 31, 1933." (*The Mail and Empire,* Feb. 2). The apple growers, the honey-producers, the vegetable growers and the tobacco industry all owed a debt of gratitude to the Minister of Agriculture, Mr. Davis said. He urged that hog-grading be changed from "on the hoof" to "on the rail" methods, and also suggested that the Government assist the dairy industry by compensating farmers anxious to eliminate unprofitable milkers from their herds. Dr. McQuibban adjourned the debate, which had commenced on Feb. 1 and on the following Tuesday (Feb. 6) he moved, seconded by Charles A. Robertson (Huron North): "That all the words of the Motion after the first word 'That' be struck out and the following substituted therefor:

"This House views with alarm the ever-increasing burden of taxation and debt which the policies of this Government have imposed upon the people and condemns the utter failure of the Government to deal efficiently and in a business-like manner with the problems of vital concern to the people."

A Progressive Sub-Amendment, moved by the Leader (H. A. Nixon), added to a "want-of-confidence" Motion the charge that "your Honour's advisers have usurped office for months after the end of the term for which they were elected." However, the Speaker (Hon. T. A. Kidd) ruled that the two Motions were in effect so similar as to be repetitions, and that Mr. Nixon's was therefore out of order. The Progressive Leader was given the opportunity to prepare an acceptable Motion; but when called upon just before the end of the sitting he was not prepared to go on, whereupon the Speaker ruled that it could not be stood over for another day, and the Sub-Amendment was abandoned. Dr. McQuibban's attack on the policies of the Henry Government covered wide ground. He spent some time criticising the educational policy of the Government, which, he thought, shackled the "fine and capable body of Ontario teachers." Turning to the Hydro-Electric Power Commission, he argued that purchases of power from Quebec had raised expenses 50 per cent. while leaving total power less in 1932 than in 1929. (*The Globe,* Feb. 7). He scored the Government on the Abitibi canyon power purchase; and attacked recent Provincial financing. High rates of interest, he said, were crucifying industry. The rate on farm mortgages should go down. He charged that the Government in the January (1934) loan had been deprived of about $1,000,000 because of high handling charges. The issue, he said, was sold at 97 and the bonds were quoted at 98 a few hours later. "It is generally understood," he added, "that the Government could have at least secured an additional point on the $15,000,000 long term." Mr. Nixon, who followed Dr. McQuibban twitted the Government with being ready "to take the plunge off the deep end, even though they know they cannot swim . . . . Any one at all in touch with public sentiment in Ontario knows well that this Government is going out" (*The Globe*). He cited the failure of the Government to place a candidate in the East Kent riding as evidence that "the mighty had fallen."

Mr. Henry's reply to his critics, which was begun on Feb. 6, 1934, and concluded two days later, wound up with a Sub-Amendment which was hailed by his supporters as a clever bit of Party strategy. It was as follows: "This House accepts with satisfaction the Lieutenant-Governor's encouraging refer-

ences to the progress being made towards the recovery of business and industry, and joins cordially in the hope that our country will soon be on the road to enduring prosperity." The Prime Minister (Mr. Henry) defended the handling by the Government of the $40,000,000 bond issue; replying to Dr. McQuibban's criticism about the price, he stressed the importance of offering the bonds at a figure which would make them attractive to the buying public. The Progressive Leader had thought the interest rate of 4.63 to 4.78 per cent. an enormity. How about the Farmer Government's issues, when Mr. Nixon held Cabinet rank? he asked. Their rates, he said, had ranged between 5.93 and 6.29 per cent.; and if it had not been for that fact "our rate to-day would be very much lower" (*The Globe*). When he resumed the debate on the second day, Mr. Henry challenged Messrs. McQuibban and Nixon to state their views on the immediate development of the St. Lawrence waterway. Replying to criticism of Government policy in connection with hydro-electric power for northern Ontario, he declared that on a consumption basis rates had fallen to one-half the former level, and stressed the incentive given to the mining industry by a supply of low-price power to the mines. Dealing with the charge that contracts for unnecessary power had been accumulated by the Hydro-Electric Commission, Mr. Henry said: "I have stated, and I repeat, that in so far as the power needs of the moment are concerned, we have contracted for more power than we can use in our present services. There is nothing unique in that. In fact, it would be unique if we had not done so, because I know something of needs of industry that is in anticipation of development and future growth. In the very near future the investments made by private concerns towards development of the Province and Canada generally will all be needed in the same way that the power we have will all be needed, and more added to it." (*The Evening Telegram*, Feb. 9, 1934). Referring to relief, the Prime Minister said that while in 1932-33 the total cost of relief in Ontario, counting Federal and Municipal as well as Provincial contributions, had been nearly $31,800,000, there were signs of improvement. In March, 1933, there had been 483,000 persons in receipt of relief in Ontario: by November the number had fallen to 396,000. He reviewed the efforts of his Government on behalf of the farmer and asserted that contrary to Opposition charges they had done in co-operation with the Federal Administration everything possible for agriculture. (Canadian Press dispatch, Feb. 8, 1934).

The debate continued with an address by Charles A. Robertson, Liberal Whip, and Member for Huron North, who severely criticized the financial policy of the Government. Of the recent bond flotation, he said: "Such financing is draining the country of cash that should be used for legitimate business, for industry, for building and for the production of commodities. With the present interest we have to-day, I am convinced we are never going to be able to pay our mortgage debt and let business expand as it should. I think I am not overstating the truth when I say that this Government have mortgaged our future, dissipated our resources, and throttled industry by extravagance and mismanagement." (*The Globe*).

Other speakers in the debate on the Address-in-Reply to the Speech from the Throne included Wilfrid Heighington (St. David's), William Newman (Victoria North), G. S. Shields (Toronto Woodbine), W. J. Mackay (Bruce South), W. E. N. Sinclair (Ontario South), J. F. Strickland (Peterborough City), W. G. Medd (South Huron), the Hon. W. G. Martin (Brantford), Earl Hutchinson (Kenora), A. R. Nesbitt (Toronto Bracondale), N. O. Hipel (Waterloo South), H. S. Colliver (Prince Edward), J. A. Sangster (Glengarry), W. A. Baird (Toronto High Park), T. P. Murray (Renfrew South), William Morrison (Hamilton East), T. A. Blakelock (Halton), Clifford Case (York North), the Hon. Leopold Macaulay (York South), and Farquhar Oliver (South Grey). So long and lively was the debate that night sittings were employed to hasten the conclusion, which came on Feb. 27. The Sub-Amendment moved by the Prime Minister (Mr. Henry) was endorsed by a vote of 76 to 20, the opposition consisting of 13 Liberals, five Progressives, one U.F.O. and one Labour.

The Budget Address, 1934. The Hon. George S. Henry (Provincial Treasurer) delivered the Budget Address on Mar. 1, 1934, when he forecast an Operating Surplus of $215,000 for the current fiscal year (ending Oct. 31, 1934) based upon an Estimated Revenue of $51,079,000 and an Estimated Expenditure of $50,864,000. Following the practice of the two previous years, relief expenditures, Mr. Henry stated, would be capitalized, and the usual debt-retirement instalment would be deferred until more propitious times. He announced the Gross Debt of the Province as $592,000,000 and the Net Debt as $299,000,000. He stressed the very heavy expenditure required for unemployment relief: "There has been spent for relief purposes just under thirteen million. I have no apology to offer for that. I think that none is required to justify our capitalizing or borrowing to meet this more than ordinary expenditure." Later on, commenting on the fact that in the previous fiscal year a forecast had been made of a Deficit amounting to $2,952,000 whereas actually a Surplus of $476,000 had been achieved, he summarized the increased collections and decreased expenditures, concluding with this sentence: "Therefore, by spending less, and collecting more, there was a saving over all items of $5,339,404 over what was spent in 1932, thus carrying out the promise we made that we would cut down expenditure to the bone and seek, as far as possible, to live within our means." Dealing with revenue sources, Mr. Henry took issue with the Liberal charges that his Government had been placing a heavy tax burden upon the people in the Province. He asserted that the Government were not "a taxing body to any extent in this Province" but were sellers of services and, "if the individuals do not care to use these, they pay scarcely any taxes whatever." He declared that the direct taxation was less than one-tenth of the total revenue of the Province. Once more referring to the $40,000,000 loan issued on Jan. 16, 1934, he asserted that the Province was to be congratulated on having been able to obtain so large an amount at an average rate of 4.64 per cent. He went, at considerable length, into the question of the spread between the price to the Government and the price to the public of this and previous loans. The figure for the 1934 loan had been .70 per cent. per $100, whereas within the past ten years spreads as high as 1.89 and even, in the case of one, over 2.00 per cent. had been required. He compared the cost of loans under the Drury Administration with those under subsequent Conservative Governments, to the disadvantage of the former.

The statement of financial affairs presented by the Provincial Treasurer (Mr. Henry) was vigorously attacked by Dr. L. J. Simpson (Simcoe Centre), financial critic for the Opposition, and other Liberal Members. Dr. Simpson attempted to show that instead of the reported Surplus, there was actually a Deficit of nearly $3,000,000. Even on Ordinary Account, the Deficit was actually $428,000, he claimed. Dr. Simpson asserted that the Government had not dared reveal the true picture of the Province's finances on the eve of an election. The debt-retirement policy of the Government, inaugurated in 1929, had been dropped after several years and no mention now was made of retiring the Debt within forty years as was proposed when the scheme had been first announced, said Dr. Simpson. Not one cent of the $10,905,000 charged to direct relief in 1933 was included in the Ordinary Account. If one-fifth of this amount, $2,181,000, had been charged to Ordinary Account as the Government had planned, this amount would have been added to the existing deficit of $428,000 occasioned by "Hydro" losses in Northern Ontario property, making a Deficit of $2,609,750, Dr. Simpson asserted. Attacking the relief policy of the Government, he declared that these vast sums should not be dissipated without bringing back some asset to the Province. He suggested that as the Province possessed an unlimited acreage of non-productive land, the Government should employ men at a living wage to plant these barren wastes with trees from which posterity would have some revenue with which to take care of this indebtedness (*The Mail and Empire*, Mar. 7, 1934).

The debate continued at intervals until Mar. 21, and was characterized by the intensity and variety of the attacks made by the small Opposition upon the Government. Cabinet Ministers were inclined to be on the defensive,

and to spend most of their time refuting wherever possible the charges launched from the opposite side of the Chamber. Typical of Liberal attacks was that of N. O. Hipel (Waterloo County) who criticized the highway policy of the Government. He blamed them for failure to do more than plan retirement of a highway debt of $186,369,753 in spite of motorists' estimated contributions during the previous decade of about $148,528,000. "While the motorists of the Province are contributing annually over $20,000,000 toward highway purposes, there is not one Provincial highway that is paid for," Mr. Hipel asserted. W. E. N. Sinclair, former Liberal House Leader, urged a reduction in Hydro-Electric rates for Ontario farmers. He cited figures to show that after 11 years of rural Hydro-Electric power, only 27,284 out of 212,000 farmers were served with light and power, and he believed that the chief reason was the high cost. With so much surplus power on hand, he thought it would be a good move to offer special rates to rural districts. Associating himself with Mr. Hipel's attack on the highway policy, he asserted that for 30 years the Province had been building roads, but had not been paying for them. A plan should be evolved to pay off the road debt. (*The Mail and Empire*, Mar. 14, 1934). Dr. G. A. McQuibban alleged, speaking on the last day of the debate, that the Government had withdrawn more Liquor Board funds than had been earned as profits, in order to improve the aspect of Provincial finances. H. C. Nixon also termed the alleged Surplus a myth, further asserting that it was a dangerous illusion, and contending that the Government were employing it as justification, in an election year, to embark upon a policy of spending. Mr. Henry, winding up the debate, attempted a complete vindication of the Government's financial record. He replied in elaborate detail to the various criticisms of the Budget statements. The methods used in attaining the Surplus of $476,000 were, he claimed, exactly the same as those used for the previous twenty years. At the conclusion of his reply, the Legislature divided on his Motion to go into Committee of Supply, the Motion being sustained by 79 to 19.

Estimates, 1934-35. On Mar. 19, 1934, a statement of Estimates on Ordinary and Capital Expenditures for the fiscal year ending Oct. 31, 1935, was tabled in the House. For the first time in 21 years, no Supplementary Estimates were tabled. The following table shows the amounts which were to be voted and those that were statutory:

Departments	To be Voted	Statutory
Lieutenant-Governor	$ 7,200.00	.....
Legislation	309,780.00	.....
Prime Minister	2,654,197.00	$ 1,304,000.00
Attorney-General	2,376,638.00	253,100.00
Insurance	67,345.00	.....
Education	9,650,759.00	1,337,638.43
Lands and Forests	1,505,000.00	10,000.00
Northern Development	471,025.00	3,768,275.00
Mines	293,875.00	10,000.00
Game and Fisheries	585,100.00	.....
Public Works	870,469.00	35,000.00
Highways	636,180.00	11,347,900.00
Health	7,218,746.00	105,000.00
Labour	406,021.50	.....
Public Welfare	5,227,261.00	10,000.00
Provincial Treasurer	583,120.00	19,077,206.14
Provincial Auditor	104,950.00	6,500.00
Provincial Secretary	1,762,380.00	10,400.00
Agriculture	2,076,762.00	192,500.00
Miscellaneous	200,000.00	.....
	$37,006,808.50	$37,467,519.57

The New Liquor Legislation. The long-awaited Amendments to the Liquor Control Act, permitting the sale of beer and wine by the glass, were introduced into the Legislature on Mar. 21 by the Attorney-General, the Hon. W. H. Price. It was explained at the time that it was the intention of the Government to pass the Bill through the House, but to provide for it

becoming law later on by proclamation. The same evening the attitude of the Opposition was disclosed. Following a caucus of Liberal and Progressive Members, attended by Mitchell F. Hepburn, Liberal Leader, a statement was issued in which the following declarations, amongst others, were made:

"The position of the Opposition of the Ontario Legislature is that Prohibition is not and should not be made a political partisan issue. . . . . Our responsibility to the people of Ontario is such that we are determined to hold the Henry Government to a defence of their record of mal-administration, increased debt and taxation, mismanagement of our great publicly-owned Hydro-Electric system and dissipation of our natural resources. These major issues are the ones upon which the electors of the Province of Ontario, in our opinion, desire to pass judgment in the coming General Election. We are, therefore, under the circumstances, prepared to acquiesce in the measure without discussion, regarding it as a Government responsibility."

The salient features of the new legislation were as follows: (1) sales would be under the authority of the Liquor Control Board; (2) the sale of beer and wine would be permitted in dining rooms of standard hotels and, at option of the Liquor Control Board, in restaurants and clubs; (3) the sale of beer alone would be permitted in hotel refreshment rooms and in veterans' and labour union clubs; (4) the sale "authority" of the Liquor Control Board would specify rooms or places in which consumption of beer was permitted; (5) the issuance of the sale "authority" of the Board would be only to fit and proper persons, *bona fide* owners of the businesses to which sale was permitted; (6) the issuance of "authority" was prohibited to (a) any person who had been convicted of specified offences against the law, (b) an individual who was not a British subject, and (c) to a corporation which had not been incorporated as required by the regulations; (7) the number of "authorities" issued in any municipality would be restricted at the Board's discretion; (8) the issuance of an "authority" was prohibited to any person who had covenanted to sell the beer of any brewer or the wine of any manufacturer; to the brewer or manufacturer himself, or to his agent, or to any person whose financial connections would lead him to promote the sale of any one product; or to any premises in which a brewer or wine manufacturer had an interest; (9) the sale of beer or wine was prohibited to any one under 21 years of age; and to any one who was intoxicated or to whom the sale of intoxicants was prohibited by statute; (10) the serving of beer to a police officer on duty was prohibited; (11) the presence of any one of notoriously bad character was forbidden on the sale-of-beer premises; also gambling, drunkenness, disorderly conduct, slot machines or gambling devices; (12) no bars would be permitted; (13) the removal of beer from sale-premises was definitely forbidden; and (14) it was stated that employees might be required to obtain individual "authority."

When the legislation came up for a vote on second reading, the stage at which the principle of a Bill is usually approved or rejected, it passed by 89 to 9, the Opposition splitting on the measure. All Government Members voted for the Bill, and associated with them were three Progressives (headed by H. C. Nixon), the Labour Member (Earl Hutchinson), and the following Liberals: Dr. L. J. Simpson, J. A. Sangster, T. A. Blakelock, Paul Munro, Norman O. Hipel, D. M. Campbell, T. P. Murray and W. J. Mackay. Opposed to it were Farquhar Oliver, the U.F.O. Member for South Grey; two Progressives, D. M. Ross and W. G. Medd, and the following Liberals: Dr. G. H. McQuibban, Charles A. Robertson, William Newman, S. C. Tweed, W. E. N. Sinclair, and W. J. Bragg.

The McCaughrin Charges. Reference has already been made to the sensation produced throughout the Province late in December, 1933 by the published charges of Daniel McCaughrin, Police Magistrate at Orillia, that he had been offered $2,000 to resign from his office in favour of Howard Gover, Magistrate at Coldwater, the inference being that there had been

"trafficking in office" with the knowledge and consent of members of the Henry Government. In order to investigate these allegations, the Standing Committee on Legal Bills was instructed by a reference from the Legislature on Feb. 5 to inquire fully into the charges and report its findings back to the House. Even this did not conclude the matter. Following the assumption of office by the Hepburn Government a Commission was set up under Hon. R. G. Fisher, Justice of Appeal in the Supreme Court of Ontario, to go into the matter a second time.

The Standing Committee on Legal Bills heard evidence on Feb. 7, Feb, 9 and Feb. 13, and subsequently reported its findings to the Legislature, the gist of its Report being that the allegation regarding trafficking in office had not been substantiated, but that the transaction under review had been for the purpose of providing the retiring Magistrate with some financial assistance, and was a proper and legal proceeding, covered by a number of precedents in the history of the Province, under various administrations. The Inquiry brought out the assertion that Mr. McCaughrin's work as Police Magistrate had not been efficient, and that his retirement had been contemplated by the Attorney-General's Department for some time previous to the proposed arrangement. The Committee's Report stated that at the request of Mr. McCaughrin the Minister of Lands and Forests (Hon. William Finlayson) had attempted to arrange for a lump sum to be paid by his successor, and that a tentative agreement had been reached, whereupon the Orillia Magistrate had resigned from his post. Subsequently, the Report set forth, "after such arrangement was entered into, but before approval by the Attorney-General's Department . . . . the said Daniel McCaughrin repudiated the arrangement entered into and endeavoured to obtain a better settlement from the Attorney-General's Department. In this he failed." Mr. McCaughrin then proceeded to the office of his lawyer, Mr. Harvie, and after some discussion then and on subsequent days, the ex-Magistrate prepared a statutory declaration, with the assistance of Harry Johnson, Secretary of the Liberal Association of Ontario, in which Mr. McCaughrin charged that his resignation was procured by trickery designed to persuade him to barter his position as Police Magistrate. This declaration he took with him to Toronto, and lodged it with *The Globe,* instructing the editor (H. W. Anderson) that it was not to be used until he should give authority to do so. He then proceeded, according to the Committee Report, to the Attorney-General's office, and sought to get better terms. Not being successful, he then returned to *The Globe* office where, at a conference at which were present both the Editor and the Assistant Editor and also Arthur Roebuck and Harry Johnson, the decision was made to publish the declaration and correspondence between the various parties.

"The evidence," concluded the Committee Report, "shows that there was no bartering nor trafficking in office and that what took place in Mr. McCaughrin's behalf and at his request was merely an endeavour to provide him with a retiring allowance."

The Report of Mr. Justice Fisher on the subsequent hearings, which took place on Aug. 28, 29 and 30, was not substantially different from that of the Committee. In addition to the evidence taken by the Committee, he called Howard Gover, the Coldwater Magistrate who was given the Orillia jurisdiction on the retirement of Mr. McCaughrin. Mr. Justice Fisher agreed that Mr. McCaughrin had been incompetent, and that his retirement was imminent: he rebuked the Department with having failed to discharge that duty earlier. Stating that "there is no evidence to support a finding that there was a sale or an agreement to sell this office or to obtain the resignation of McCaughrin" he added that "what was in the minds of everyone, including McCaughrin, was to secure from Gover in the event of his appointment, some remuneration to McCaughrin in ease of his alleged financial position." He wound up with the observation that "it is of the utmost importance in the conduct of affairs of State to remember that not only actual trafficking

in offices but even the suspicion or appearance of such an offence must be avoided if the confidence of the public in the purity of the Administration of Justice is to be retained." Mr. Justice Fisher's Report was submitted to the Lieutenant-Governor on Sept. 6, 1934.

The Gunning Charges. Further sensational charges which were later referred to the Committee on Public Accounts for investigation and report, were made in the Legislature by D. Paul Munro (Wellington South) on Mar. 15, 1934. In substance his allegations were that $3,459 in pay cheques for highway work in Elgin County had gone to persons who had performed no labour or to persons who were dead, and that a set of cheques issued to a number of persons were all endorsed with the same signature. Specifically, he named James R. Gunning, foreman on the job, as deeply involved in the matter (*The Globe*, Mar. 16). The same source said that Mr. Munro in the charges had sprung "carefully collected and long-guarded Liberal information." A Royal Commission to investigate the charges was demanded by the Opposition Leader (Dr. McQuibban) but Mr. Henry moved for a Committee Inquiry, instead. The Committee heard evidence at great length, beginning on Mar. 23 and concluding on Mar. 27, holding eight meetings and examining 21 witnesses. Numerous instances of irregular book-keeping were disclosed, but there was no evidence that any money of the Province had been paid out without full value having been received therefor. One of the incidents that formed the subject of prolonged inquiry, was the issuing to one Wilfrid Fife of Talbotville two cheques, one for $37.95 dated Apr. 22, 1930, and the other for $44, dated May 6, 1930, for team work which he did not do. Gunning's own frank explanation was to the effect that a truck belonging to himself had been used on highway work, and that he was afraid that he could not legally appear on the pay-sheets both as foreman and as truck-owner. He therefore approached Wilfrid Fife and asked if he had any objection to his name being put down for the work, the cheques when received to be turned back to Mr. Gunning. The reason Fife's name appeared on the pay-rolls as having done team work rather than as truck operator was, Mr. Gunning testified, because the pay-sheets made no provision for trucks. It was his custom, therefore, instead of entering trucks, to enter a truck as two teams, which came to the same daily sum. Payments to farmers for sand and other services were also put in the list as team work because, when put through as sand or supplies, they went through another office and there was often considerable delay in receiving the payment, Mr. Gunning testified. Numerous examples of services of one kind or another going into the pay-sheets as "team work" were disclosed, but no case of money being paid out without value being received. The Hon. Leopold Macaulay (Minister of Highways) claimed at the conclusion of the Inquiry that not a dollar of fraud had been disclosed, and that work had been given for every dollar paid out. This the originator of the charges (Mr. Munro) did not deny, but he maintained that the Inquiry had served a good purpose, by disclosing irregularities in book-keeping which opened wide the door "for all sorts of fraud and all sorts of dishonesty."

Prorogation: Legislation and Incidents of the 1934 Session

The Fifth Session of the Eighteenth Legislature of Ontario was prorogued on Apr. 3, 1934, with comparatively few Members present and little of the elaborate ceremony which had marked the opening two months before. It coincided with the retirement from office of the Speaker, the Hon. T. A. Kidd, announcement having been made that no matter which Party was returned at the General Election, a new Speaker would be chosen. The Lieutenant-Governor gave Royal Assent to 105 measures, passed by the Legislature during the Session, and subsequently reviewed the more important of these in the Speech from the Throne. The highlights of this review were as follows:

"In certain sections of the Province agriculture is menaced by the scarcity of seed grain, and the lack of credit to purchase supplies. My Ministers have undertaken, with your approval, to assume on behalf of the Province, two-thirds of the financial responsibility for loans required for this purpose wherever the municipal authority will assume the balance. . . . Another measure of interest to agriculture is the Amendment to Co-operative Marketing and Loan Act whereby a Provincial guarantee may be given to assist the work of the Growers and Associations to market their crops to the best advantage. . . . Legislation has been enacted for the purpose of strengthening the position of the Dairy Farmer (The Milk Control Act). . . . Increased authority and responsibility have been conferred upon the Liquor Control Board by the legislation for the regulation of the sale and consumption of beer and wines. . . . The Public Commercial Vehicle Act has been re-enacted to embody certain new provisions to ensure better control. A number of important Amendments have been made to the Minimum Wage Act. (These were of especial public interest in view of the disclosures made by the Price-Spread and Mass-Buying Inquiry at Ottawa (see Section: "Federal Administration and Politics"). The maximum number of hours per week for which the minimum wage is to be paid has been reduced and brought under control. Provision has been made also to prevent the replacement of women by men at a lower wage. Employers will not be permitted to discharge employees for lodging complaints or giving evidence as to breaches of the Act. In addition, penalties for violations have been increased in order to strengthen the efficacy of this measure. In view of the unsatisfactory conditions existing in the building trade and the construction industry as disclosed by your Labour Committee, the necessity of a full and thorough investigation into the matter has been made apparent. This task has been confided to a Sub-Committee, which will carry on during the recess and report to the Legislative Assembly at its next Session. . . . The arrangements for direct relief between the Dominion, the Province and the Municipalities, and the Provincial programme of relief works, including the construction of the Trans-Canada Highway, Roads and Public Buildings, involving originally an outlay of some thirty-eight millions of dollars, will be continued. In addition, the Province will co-operate, so far as opportunity is afforded, with the Federal programme of public works in order that further opportunities for employment may be created. By the Amendment to the Children's Protection Act, those sections of the law dealing with the responsibility of Boards and Officials in the matter of adequate supervision and control of the work and activities of Children's Aid Societies throughout the Province have been made more effective. . . . In the consolidation of The Succession Duty Act, the main features of the law remain unchanged and the rates of duty are not affected. . . . Provision has been made by the Amendments to The Public Health Act for the establishment of health units by the grouping together of counties and municipalities for public health purposes wherever such an arrangement will contribute to economy and efficiency. . . . In view of existing economic conditions, it has been deemed advisable to re-enact The Mortgagors' and Purchasers' Relief Act in order to give all concerned the benefits of this measure for another year. . . . Among the other measures adopted are Bills to make further provision for the development of Northern and North-western Ontario; to amend the Insurance Act; to amend the Voters' List Act; to amend The Ontario Municipal Board Act, and to provide for the observance of Remembrance Day as a public holiday."

During the Session the Hon. W. H. Price (Attorney-General) stated that study was being given by his Department and the judiciary to the creation of a fund which would provide a systematic check-up by court officials on all divorce cases in Ontario, to prevent collusion and other abuses. At the same time he strongly opposed the suggestion advanced by E. F. Singer, K.C. (St. Andrews) that a "matrimonial causes division" of the Supreme Court should be set up. Mr. Price also announced that action was being taken by his De-

partment to end alleged "racketeering" in insurance policies by unscrupulous persons, who had been going about buying up the policies of uninformed persons at something like one-half of their real value.

To prevent the pawning of military medals, which had led, it was charged, to the practice of mendicants plastering their breasts with medals to evoke public sympathy, a measure was passed in the Legislature providing a fine of $20 for the offence of advancing money on these articles.

The immediate submission to the Privy Council of a series of questions seeking settlement of the long-standing divergence of opinion as to the legal rights of public and separate schools under the existing division of school taxation was announced to the Legislature by Mr. Henry shortly before prorogation.

During the Session of the Legislature the Standing Committee on Public Accounts heard officials of the Liquor Commission on allegations by Dr. George A. McQuibban (Liberal House Leader) that the Government had "drained" the accounts of the Commission "to the last dollar" and had led them to overdraw their bank accounts by over $400,000 in order to make the best possible showing for the Province in its fiscal year. The Government Members, however, protested that the sums paid over all represented profits earned from the sale of liquors, to which the Provincial Treasury was entitled at the time.

The Department of Education; Organizations and Institutions

The Report of the Minister of Education (Hon. George S. Henry) for the year 1933 outlined some of the difficulties which the depression period brought to the field of education in Ontario. The steady increase in attendance at a time when additional taxation for schools was in most cases out of the question created a serious problem for school boards. Mr. Henry called attention to the fact that the number of pupils in Ontario schools, counting day and evening classes, had grown to approximately 740,000. It was, he said, a tribute to the zeal for education that practically all the schools had been kept open. Where, in a limited number of cases it had been found expedient to close the schools, the pupils had not been left unprovided for, but were taken care of by the Correspondence Courses of the Department. "In general it may be said, without fear of challenge, that the efficiency of the schools has not diminished and that the children of the Province are receiving as good a training as in the most prosperous times," the Report stated. A surplus of teachers was one of the problems peculiar to the abnormal time through which the Province was passing, it was noted. The lack of opportunity in industry and business induced many more young men and women to prepare for teaching as a profession than could possibly be absorbed by the schools. The attendance at the College of Education and in the eight Normal Schools of the Province was consequently quite out of proportion to the number required. Attention was called to the wisdom of raising in such a period the standard of both academic and professional qualifications. The Minister paid tribute to the co-operation of teachers with trustees and parents during the years of stress. While making substantial sacrifices both as to salaries and size of classes they were continuing to make progress in their professional attainments, it was observed. The steady increase in the number of those entering the Normal Schools for the course leading to a First Class certificate, and the steady increase in the number of Second Class teachers who were yearly raising their standard to that of First Class was very marked. At the date of the Report of the Department over 30 per cent. of the elementary school teachers held First Class certificates. The Minister praised the change that was rapidly taking place in the method of admitting pupils to High and Continuation schools. A few years before nearly all Entrance candidates had been required to write the Departmental tests. By 1929 almost 29 per cent. of the Entrance

pupils were exempted from the need of taking these tests upon the favourable reports of their teachers. By 1933 these exemptions had increased to over 41 per cent.

Dealing with the aim of the Department to provide subjects which would help the average student to discover his aptitude for a definite vocation, the Minister drew attention to the teaching of agriculture in Ontario schools. "In the syllabus of study this is one of the optional subjects. Last year it was taught in over 5,000 of the elementary schools of which 400 were urban schools, and in over 100 of the secondary schools in which over 13,000 pupils received instruction in agriculture. In co-operation with the Department of Agriculture this Department has been training teachers well-qualified to teach the subject. In some schools a department of agriculture has been established under the High Schools Act. In others it has been established under the Vocational Education Act. The trustees of other schools are already moving in the same direction."

The Minister of Education cited with approval the attention paid by the Department to instruction for pupils handicapped in one way or another. He noted that the Provincial schools for blind children and for deaf children, at Brantford and Belleville, respectively, continued to be well-attended, while the work of the Auxiliary classes had more than held its own. In the urban centres where the classes had been established instruction suited to the various grades of pupils had been given, and in many areas training had been given in lip-reading, in sight saving, and home instruction for crippled children who could not attend school. The Minister announced that in future it was intended to expand this Auxiliary Class work to smaller communities, and to rural areas not formerly enjoying the service.

The report of the High School Inspector declared that 1932-33 had been one of the most difficult years in recent school history. In spite of a rapid increase in attendance, and the need for further classroom accommodation, the only building extension reported for the Province was a one-room wing added to Aylmer High School. The number of teachers engaged in High Schools and Collegiates in September, 1933, showed a decrease of 12 as compared with September, 1932. The total enrolment for May 31, 1933, was 68,603 pupils, an increase of 3,574 for the year. The report of the Continuation School Inspectors showed that there were 219 such schools in operation for the year with 494 teachers employed. The enrolment at the Ontario College of Education was as follows: in the High School Assistants Course, 587; in the Pedagogy Course, 194; in the Librarians Course, 42; in the Specialists Courses, 305. Enrolment at the Provincial Normal Schools was as follows: First Year, 1,808; and Second Year, 778.

Statistics appended to the Minister's Report showed that there were in the Province 7,682 Day schools made up as follows: Public, 6,424; Separate, 764; Continuation, 220; High, 207; and Vocational, 67. The enrolment of Day pupils on May 31, 1933, was 483,331 in Public schools; 101,552 in Separate schools; 11,364 in Continuation schools; 68,603 in High schools; and 36,938 in Vocational schools. The total number of day teachers in all schools was 21,395 of whom 4,816 were men. The number of university graduates, men and women, was 3,499. Gross expenditures of all schools for the year 1932 was $50,571,033.89. In addition there were 96 night schools with a student enrolment of 38,314 and employing 1,353 teachers.

The School Law Amendment Act, 1934, passed during the final Session of the Eighteenth Legislature, made certain amendments to existing law and introduced a number of new Sections. The effect of the most important Sections was as follows: a township school area was enabled to include part of an unorganized township; to avoid organization of school sections before conditions warrant, the sanction of the Minister was required prior to such organization; the purchase by school boards in the district of land sold for school taxes during the preceding three years was validated; to prevent overcrowding or disruption of classes during the school terms, school boards with

the approval of the inspector were empowered to limit admissions of pupils not more than six years old to the commencement of the school year; school boards were empowered to purchase school supplies for pupils unable to provide them; secondary teachers were placed in the same position as public school teachers in respect of recovery of salary; the reduction of township grants for public schools authorized for 1933 and 1934 was extended to 1935.

The 73rd Annual Convention of the Ontario Educational Association was held in Toronto, Apr. 2-5, 1934. Addresses were delivered by the President, Donald A. Norris; by the Hon. George S. Henry (Prime Minister and Minister of Education for Ontario); the Rt. Hon. R. B. Bennett (Prime Minister of Canada); George F. Rogers, LL.D., Chief Director of Education for Ontario and others. Amongst the subjects discussed were the following: "The New Deal in Education"; "New Trends in Child Development"; "The Junior Red Cross"; and "Some Desirable Trends in Elementary School Education." An important resolution passed by the Trustees and Ratepayers Section of the Association urged "that a full course in economic citizenship and business practice be prepared and inserted in the high school course of study of the lower school and that less stress be placed on Latin and French and more on practical subjects, such as manual training, household science, civics, etc." F. P. Gavin, Hamilton, was elected President for 1934-35 and A. E. Bryson, Toronto, was re-appointed Secretary.

The 14th Annual Meeting of the Ontario Secondary School Teachers' Federation was held in Toronto, Dec. 28-29, 1933. Addresses from the retiring-President, F. D. Wallace; from Mrs. Adelaide M. Plumptre, Chairman of the Board of Education, Toronto; and from F. S. Rutherford, M.A., Director of Vocational Education, were features of the Convention. Miss A. Noonan, M.A., Windsor, was elected President for the ensuing year. The total membership of the Federation was reported as 3,811 of which 3,312 were active members. Amongst the resolutions passed at the Convention was the following: "That, in view of the statement of the Director of Education for Ontario that an educational survey of the Province may be undertaken in the near future, and in view of the initial efforts in educational research already undertaken by the Public School Men Teachers' Federation of Ontario and allied organizations, the Ontario Secondary School Teachers' Federation requests the Department of Education to make a thorough survey of the educational system of Ontario, utilizing in this survey the teachers' organizations of the Province as well as the services of trained investigators familiar with the leading educational systems of the world."

The Annual Meeting of the Ontario Library Association was held in Montreal the latter part of June, 1934, as the American Library Association was convening there at the same time. Nearly one hundred members were in attendance. All officers were re-appointed for the ensuing year: President, Mrs. Norman W. Lyle, Hamilton; First Vice-President, Miss Marjorie Jarvis, Toronto; Second Vice-President, Miss Dorothy Carlisle, Sarnia; and Secretary-Treasurer, Miss Muriel Page, Toronto. W. J. Sykes, Chief Librarian of the Carnegie Library in Ottawa, read the report of the Pensions Committee on which there was a good deal of discussion. The Pension Scheme of the American Library Association was briefly explained by Mr. Sykes. Any Ontario librarian who was a member of that Association was eligible for the scheme, he pointed out.

The University of Toronto and its Colleges. The enrolment of students in all faculties of the University of Toronto during the 1933-34 session totalled 7,809. Degrees conferred at Convocation in June, 1934 numbered 1,318, and were as follows: Ph.D., 36; M.A., 106; M.S., 1; M.A.Sc., 13; C.E., 1; E.E., 3; D.Pæd., 3; D.V.Sc., 1; B.A., 633; M.D., 102; B.Sc. (Med.), 6; B.A.Sc., 140; B.Arch., 1; B.Com., 53; B.H.Sc. 40; B.Pæd., 52; B.Sc.F., 10; Mus.Bac., 1; B.Sc. (Dent.), 3; D.D.S., 32; Phm.B., 81. Important appointments for the year were: G. F. Marrian as Associate Professor of Biochemis-

try, and H. A. Thompson as Assistant Professor of Classical Archæology. The promotions were: R. K. Young, to Professor of Astronomy; J. E. Thomson, to Professor of Mineralogy; and R. G. McLean, to Professor of Dental Praxis. There were two resignations: C. G. Heard as Assistant Professor of Mechanical Engineering, and A. T. Laing as Associate Professor of Highway Engineering. During the 1933-34 session the Administration Building of the University was completed and a 74-inch telescope and the dome were added to the David Dunlap Observatory. Benefactions to the University during the same period amounted to $1,079,536, the outstanding ones being the E. A. Wallberg Memorial Fund, $774,576; the E. C. Whitney Bequest, $159,300; from the Rockefeller Foundation, $43,512; the Eaton Endowment (annual payment), $25,000; the William Erving Fairclough Scholarship Fund, $25,000; from the Carnegie Corporation, $13,572; and from the D. A. Dunlap Estate (toward the David Dunlap Observatory), $10,000.

Honorary degrees were conferred by the University at several Convocations during the session of 1933-34. In connection with the re-opening of the Royal Ontario Museum, the Honorary degree of Doctor of Laws (LL.D.) on Oct. 12, 1933, was conferred on Charles Greely Abbot, Secretary of the Smithsonian Institute, Washington, D.C.; on James Brock O'Brien, Chairman of the Board of Trustees of the Museum; and on two members of the Board: Sigmund Samuel and Mrs. Sarah Trumbull Warren, both of Toronto. At a Convocation on Nov. 10, 1933, the Honorary degree of Doctor of Science (D.Sc.) was conferred on Sir Ambrose Thomas Stanton, K.C.M.G., M.D., C.M., of the Colonial Office, London, England. On Nov. 20, the Honorary degree of Doctor of Architecture (D.Arch.) was bestowed on Sir Raymond Unwin, KT., LL.D., immediate Past-President of the Royal Institute of British Architects and Chief Adviser to the Greater London (England) Regional Township Planning Commission. At the Annual Convocation on June 6, 1934, the Honorary degree of Doctor of Laws (LL.D.) was received by His Eminence Jean-Marie Rodrigue Cardinal Villeneuve, O.M.I., Archbishop of Quebec, to mark the 400th Anniversary of the landing of Jacques Cartier at Gaspé; by the Hon. Leonard Percy deWolfe Tilley, K.C., Prime Minister of New Brunswick, in commemoration of the 150th Anniversary of the arrival of the Loyalists in the Province of New Brunswick and the founding of that Province and also the 150th Anniversary of the landing of the first Loyalists in Ontario; by the Hon. Charles McCrea, K.C., Minister of Mines for Ontario, in recognition of his part in developing the mining resources of the Province; by Sir Robert Ludwig Mond, KT., M.A., F.R.S.ED., London, England; by Dean A. T. DeLury, retiring head of the Faculty of Arts of "Toronto," after 42 years of service; by William Scott Ferguson, Professor of Ancient and Modern History of Harvard University, Cambridge, Mass.; and by Percy J. Robinson, Classical Master at St. Andrew's College, Aurora, Ont. On the same day (June 6) Edward Johnson, of the Metropolitan Opera House, New York, Canadian-born tenor, received the Honorary degree of Doctor of Music (Mus. Doc.)

The two Colleges of Victoria University had a combined enrolment for 1933-34 of 1,215, Victoria College having a total of 1,007 students (484 men and 523 women, 5 and 14, respectively, of these being occasional students) and Emmanuel College, 208 theological students. In Victoria College there were 50 certified Church students pursuing their Arts course, and Art students in the College enrolled in Religious Knowledge classes numbered 398. The Baccalaureate sermon to the graduating classes of Victoria and Emmanuel was delivered by the Rev. Frank Langford, D.D., in Victoria College Chapel on Sunday, Apr. 15, 1934. Convocation in Divinity of Emmanuel College was held on Tuesday, Apr. 17, at the Metropolitan United Church, when Chancellor Wallace presided. Degrees conferred on that occasion were as follows: Doctor of Divinity (*Honoris Causa*), 4; Bachelor of Divinity, 9. Recipients of the Honorary degree of Doctor of Divinity (D.D.) were the Rev. Robert McCahon Dickey, Hamilton; the Rev. William Alva Gifford,

M.A., TH.D., Montreal; the Rev. Ernest Crossley Hunter, B.A., Toronto; and the Rev. George Stanley Russell, M.A., Toronto. Graduates from Emmanuel totalled 30; of these 26 received Diplomas, five of whom received the degree of Bachelor of Divinity in conjunction with four Diploma graduates of previous years. The number of students of Victoria who received the Arts degree from the University of Toronto during the academic year 1933-34 was 227. By the will of T. P. Loblaw of Toronto a generous bequest of $25,000 was received by Emmanuel College; this was in addition to a former subscription of Mr. Loblaw of $25,000 to the Building Fund of the Colleges. Miss Jessie Macpherson, B.A., was appointed to succeed Miss M. E. T. Addison, B.A., LL.D., as Dean of Women of Victoria College, relieving Dr. Norma Ford, Assistant Professor of Biology, who had been Acting Dean of Women for three years.

Trinity College, in the University of Toronto, had a registration during the academic year 1933-34 of 386. At Convocation on Apr. 26, 1934, the Bishop of Toronto as pro-Chancellor, conferred the Honorary degree of Doctor of Divinity (D.D.) on the Rev. Percival Stacy Waddy, M.A., Secretary of the Society for the Propagation of the Gospel, London, England; and on the Rev. John Cecil Wippell, M.A., Principal of Codrington College, Barbados, B.W.I. Several weeks later (May 18) the Rt. Rev. Edward H. Mansfield Waller, M.A., Lord Bishop of Madras, India, was the recipient of the same honour from the College. During the 1933-34 session the degree of Licentiate of Theology was received by 7 students. Several staff changes were reported for the period; amongst the more important were the resignation of the Rev. H. C. S. Morris, Professor of Church History and Lecturer on Religious Knowledge; and the appointment of Rev. W. Lyndon Smith, M.A., as Lecturer in Ecclesiastical History and Lecturer on Religious Knowledge. Bequests to the College during the year amounted to $15,500: $5,000 from Colonel Henry Brock for the Endowment Fund; $5,000 from Mr. James Scott for the Endowment Fund and $5,000 from Mr. Scott for a Scholarship. Miss Constance B. Laing donated $500 for the Building Fund of the Women's Residence.

The University of Toronto Department of St. Michael's College, which comprised the three Colleges: St. Michael's (men), Loretto (women) and St. Joseph's (women), had a total enrolment during the academic year 1933-34 of 271. From the University of Toronto 68 students received the degree of Bachelor of Arts; 5, the degree of Master of Arts; and 2, the degree of Doctor of Philosophy. On the occasion (June 6, 1934) of his receiving the Honorary degree of Doctor of Laws from the University of Toronto, His Eminence Jean-Marie Rodrigue Cardinal Villeneuve, O.M.I., Archbishop of Quebec, was a guest of the College.

Wycliffe College reported an enrolment of 55 students for the year 1933-34. Eight degrees of Licentiate in Theology and one in Doctor of Divinity (in course) were conferred on graduates at the Commencement Exercises in 1934. On Oct. 9, 1933, the Honorary degree of Doctor of Divinity (D.D.) was given to the Rt. Rev. Archibald Lang Fleming, L.TH., Toronto, Bishop-Elect of the Arctic, and the Rev. William Wilson Cash, Prebendary of St. Paul's Cathedral, London, England, and General Secretary of the Church Missionary Society.

The enrolment of Knox College for the year 1933-34 totalled 31. At the Annual Convocation in the College Chapel on Apr. 5, 1934, Diplomas were presented to the 8 members of the graduating class by the Rev. J. S. Shortt, M.A., D.D., and at the close they received licences from the Presbyterian Presbytery of Toronto under the direction of the Rev. John McNab, M.A., B.D. At a meeting of the General Assembly of the Presbyterian Church in Toronto on June 13th, the long-standing controversy involving the personnel of Knox College was settled after the presentation and consideration of the Report of the Committee which had been set up at the previous year's Assembly to

investigate the situation. The Rev. Thomas Eakin, D.D., was confirmed as Principal of Knox College and the Rev. E. Lloyd Morrow as Professor of Systematic Theology for one year. In the meantime, a commission of five men with full assembly power in all matters relating to Knox College was appointed by a provision of the Report. It had authority, if deemed advisable, to effect an exchange of principals between Knox College and the Presbyterian College in Montreal. The investigating Committee had urged the re-instatement of Dr. Eakin to the principalship of Knox College and had recommended that he change places with Principal F. Scott MacKenzie of the Presbyterian College, Montreal. "In arriving at these conclusions," the Report stated, "the Committee have consulted Dr. Eakin and Dr. MacKenzie who have consented to sacrifice personal inclinations in the interests of the Church." Action on the Report, which was presented to the Assembly on June 6, had been deferred until the 13th in order to give the Assembly time to consider the recommendation for the re-instatement of the Rev. E. Lloyd Morrow who had been relieved of his post in 1932 when Principal Eakin was demoted. It was decided to appoint a Judicial Committee to consider Dr. Morrow's complaint which would report at the next General Assembly (1935); it (the Committee), in the meantime, was to have access to all previous evidence in the Morrow case.

A total of 1,776 students were registered at the Ontario Agricultural College, Guelph, during the 1933-34 session, of whom 591 were enrolled in the regular course in Agriculture, 220 in the regular course in Household Science; 2, in Poultry Specialists; 1, in Animal Husbandry; 304, in the Summer School in 1933; and 658, in the Winter Short Courses. Ninety-seven students received the degree of Bachelor of Science in Agriculture (B.A.Sc.) at Convocation in 1934. The most important event of the year was the celebration of the Sixtieth Anniversary of the College on May 1, 1934, at the Spring meeting of the O.A.C. Alumni Association.

Queen's University, Kingston. The University reported an enrolment for the year 1933-34 of 3,583; of this number 356 received the following degrees at Convocation on May 5, 1934: B.D., 3; M.A., 23; B.A. (Honours), 75; B.A. (Pass), 131; M.Com., 1; B.Com., 34; M.Sc., 11; B.Sc. (Honours), 7; and B.Sc. (Pass), 71. Changes in the staff during the session of 1933-34 included the retirements of Professor T. Callander from the Department of Greek, and of Professor Duncan McArthur, Head of the Department of History, who had been appointed Deputy Minister of Education for the Province of Ontario; and the deaths of Dr. E. C. D. MacCallum, Associate Professor of Medicine, and of Dr. R. J. Gardiner, Professor of Medical Jurisprudence and Assistant Professor of Surgery. Benefactions received by the University during 1933-34 were from the Hon. L. Wilson of Montreal, $30,000; the Hon. A. C. Hardy of Brockville, $5,000; the Hon. Cairine Wilson, $1,000; and the Spankie Bequest, $10,000. At Convocation on Sept. 29, 1933, prior to their return to London upon the conclusion of the sittings of the Banking Commission, the Honorary degree of Doctor of Laws (LL.D.) was conferred on the Rt. Hon. Lord Macmillan and Sir Charles Addis. A month later (Oct. 29) three distinguished recipients of the same honour from the Chancellor, Dr. James A. Richardson, were: the Hon. William Delano Robbins, United States Minister to Canada; the Hon. W. D. Herridge, Canadian Minister to the United States; and Owen D. Young, Chairman of the International General Electric Company. At the Spring Convocation on May 9, 1934, four Honorary degrees were conferred: Doctor of Laws (LL.D.) on John Stanley Plaskett, D.SC., F.R.S., Director of the Dominion Astrophysical Observatory, Victoria, B.C.; and on Oscar Douglas Skelton, PH.D., LL.D., Under-Secretary of State for External Affairs; and Doctor of Divinity (D.D.) on Dorland Noxon Morden of Walkerville, Ont., and William Robert Taylor, M.A., PH.D., Professor of Semitic Languages, University College, Toronto. The constitution of the Alma Mater Society was amended on Feb. 7, 1934, by a vote of 1,000 students; it abolished fraternities from the campus and

forbade under-graduates to belong to any such secret organizations, the penalty for disobeying being loss of rights to participate in student political, social and athletic activities for a period of one academic year, at least.

University of Western Ontario, London. With an enrolment for 1933-34 of 1,756 students, the University presented the following degrees to the graduates during the year: M.A., 9; M.Sc., 1; M.D., 24; B.D., 1; B.A., 222; and B.Sc., 1. Certificates were presented to 13 students: Instructor in Nursing, 2; Public Health Nursing, 7; and Business Administration (Diploma), 4. At the Autumn Convocation on Oct. 27, 1933, the Honorary degree of Doctor of Laws (LL.D.) was conferred as follows: Sir William Henry Clark, High Commissioner in Canada for the United Kingdom, Ottawa; the Rt. Rev. John Thomas Kidd, Bishop of London, Ont.; Dr. George Franklin Rogers, Department of Education, Toronto; and the Rt. Rev. Charles Allen Seager, Bishop of Huron, London. At the Annual Summer Convocation (June 6, 1934) the Rev. John Bruce Hunter of Vancouver was the recipient of the same Honarary degree (LL.D.). The erection of the Lawson Memorial Library marked the period under review; this building was made possible through a bequest in the will of Mrs. Francis Lawson augmented by contributions from Mrs. Lawson's son and daughter, Mr. Ray Lawson and Mrs. Duncan McArthur.

University ot Ottawa. There was a total enrolment at the University of Ottawa in 1933-34 of 651, of whom 97 received academic degrees: B.A., 68; Ph.D., 1; B.Ph., 10; B.C.L., 3; and B.D., 15. During the year the staff suffered the loss, through death, of the Rev. A. Lajeunesse, O.M.I., D.D., and of the Rev. E. Latulippe, O.M.I. At Convocation on June 17, 1934, the Honorary degree of Doctor of Laws (LL.D.) was conferred on the following: Francis J. Audet, Dominion Archives, Ottawa; Rev. Lionel Groulx, University of Montreal; the Hon. Frank J. Hughes of the Supreme Court of Canada, Ottawa; and the Rev. Adrien Morice, O.M.I., Winnipeg, Man.

McMaster University, Hamilton. The total enrolment of students for the year 1933-34 at McMaster was 936, including 169 Extension students. Degrees conferred at Convocation in 1934 numbered 182: at McMaster—M.A., 7; B.A., 140; B.Th., 6; English Theology Diploma, 2; at Brandon College—M.A., 2; and B.A., 25. The Honorary degree of Doctor of Laws (LL.D.) was conferred in May, 1934 on the Hon. Vincent Massey, Port Hope, Ont.; and on Dr. George F. Rogers, Department of Education, Toronto. The two recipients of the degree of Doctor of Divinity (*Honoris Causa*) on this occasion were Albert B. Cohoe, First Baptist Church, Montclair, N.J.; and John M. McLaurin of Coconada, India, but temporarily at Brandon College, Brandon, Man. Important staff appointments during the session 1933-34 included: Ernest F. Haden as Professor of French and Head of the Department of French; and Lester D. Longman as Assistant Professor of Fine Arts.

Osgoode Hall Law School, Toronto. (Law Society of Upper Canada). The annual report of the Dean, John D. Falconbridge, K.C., showed registration of students for 1933-34 as follows: first year, 130; second year, 82; third year, 93; and total, 305. Under the arrangement for exchange lectures with other law schools, Dr. C. A. Wright of Osgoode Hall visited McGill, the Hon. E. F. Surveyer of McGill visited Dalhousie, and Mr. G. H. Crouse of Dalhousie visited Osgoode Hall.

Provincial Departments: Agriculture

Although the acreage planted to principal crops in Ontario in 1933 fell to 9,194,000 acres as compared with 9,225,700 acres in 1932, and unfavourable climatic conditions were experienced the statistical tables prepared under the direction of the Minister, the Hon. Thomas L. Kennedy, the Provincial Department of Agriculture, showed an increase in the value of farm production of $17,078,000, rising from $247,684,000 in 1932 to $264,762,000 in 1933. This was, of course, due to the substantial improvement in the prices received by

farmers for some of their products. The census of live-stock numbers in June was marked by an increase in the number of poultry on hand and milch cows, and by slight decreases in other cattle, horses, swine, sheep and lambs as compared with 1932. Values per head of live stock, except cattle, were higher, and the total value of all live stock amounted to $145,571,000 on June 1st, 1933, compared with a value of $144,580,000 a year earlier. The total value of Ontario farm property, including lands, buildings, implements and live stock, in June, 1933, amounted to $1,547,241,944.

Estimated Gross Agricultural Revenue of Ontario

	1931	1932	1933*
Field Crops	$124,541,000	$116,424,000	$124,565,000
Farm Animals	33,486,000	21,957,000	31,500,000
Wool	458,000	287,000	553,000
Dairy Products	82,155,000	69,079,000	70,606,000
Fruits and Vegetables	16,424,000	12,733,000	12,555,000
Poultry and Eggs	25,067,000	18,565,000	16,864,000
Fur Farming	603,000	644,000	693,000
Maple Products	1,563,000	888,000	720,000
Tobacco	6,814,000	5,703,000	4,873,000
Flax Fibre	179,000	170,000	159,000
Clover and Grass Seed	1,110,000	615,000	1,079,000
Honey	824,000	619,000	595,000
Totals	$293,224,000	$247,684,000	$264,762,000

*Subject to revision.

The increase in farm prices which began in 1933 continued into 1934. A comparison between February, 1933, regarded as the low point of the depression, and March, 1934, showed the following increases: Wheat, per bushel, from 48.1c to 79.8c; oats, per bushel, from 26.4c to 43.5c; barley, per bushel, from 34.7c to 50.8c; calves, live, per cwt., from $4.79 to $5.95; butterfat, per pound, from 20.2c to 26.8c; hogs, live, cwt. from $3.26 to $8.24; eggs, per dozen, from 16.5c to 23.7c; chickens, live, per pound, from 10.8c to 13.1c; horses, per head, from $73.58 to $93.62; milch cows, per head, from $33.38 to $38.26; alfalfa, per ton, from $7.40 to $10.38.

Preliminary Estimate of the Value of Field Crops for 1934, as compared with final figures for 1933

Field Crops	Year	Acres	Bushels Per Acre	Total Bushels	Value Per Unit	Total Value
Fall Wheat	1933	559,000	25.1	14,030,600	$0.66	$ 9,259,500
	1934	425,600	16.3	6,937,000	.88	6,104,700
Spring Wheat	1933	96,700	17.2	1,663,000	.67	1,114,200
	1934	96,400	18.1	1,744,400	.86	1,500,000
Oats	1933	2,315,700	28.3	65,543,200	.33	21,629,200
	1934	2,390,800	33.9	81,048,700	.35	28,367,000
Barley	1933	461,200	26.1	12,037,300	.41	4,935,200
	1934	484,900	30.1	14,595,700	.50	7,297,900
Fall Rye	1933	54,000	16.9	913,000	.51	465,700
	1934	55,900	15.5	867,000	.58	503,000
Flaxseed	1933	5,500	9.0	49,500	1.20	59,400
	1934	5,700	10.0	57,000	1.33	75,400
Mixed Grains	1933	946,800	29.1	27,552,100	.38	10,470,200
	1934	941,400	34.0	32,009,000	.40	12,803,700
Buckwheat	1933	207,100	21.0	4,349,300	.42	1,826,800
	1934	213,900	20.5	4,385,000	.47	2,061,000
Corn for Husking (shelled)	1933	136,600	37.0	5,054,500	.55	2,830,000
	1934	161,100	40.9	6,590,500	.65	4,283,800
Peas	1933	58,700	16.0	938,800	.80	750,900
	1934	45,800	17.2	787,800	.85	669,600
Dry Beans	1933	52,300	14.9	779,500	.92	717,300
	1934	49,400	13.5	667,500	1.27	847,700
Potatoes	1933	157,500	92.0	14,490,500	.60	8,694,100
	1934	164,300	120.0	19,719,000	.33	6,507,300
Turnips	1933	66,100	306.0	20,228,100	.12	2,427,400
	1934	65,000	390.0	25,358,200	.14	3,550,000
Mangolds	1933	32,100	336.0	10,785,800	.12	1,294,300
	1934	33,100	418.0	13,827,000	.14	1,935,800
Carrots	1933	2,100	130.0	271,200	.12	32,600
	1934	2,100	184.0	386,800	.14	54,100

Field Crops	Year	Acres	Tons Per Acre	Total Tons	Value Per Unit	Total Value
Sugar Beets	1933	32,000	10.00	320,000	$6.23	$1,994,000
	1934	37,600	6.80	255,500	5.70	1,456,400
Fodder Corn (green)	1933	286,000	8.53	2,440,000	3.00	7,320,000
	1934	323,200	9.25	2,989,400	4.00	11,957,400
Hay and Clover	1933	2,769,600	1.49	4,127,100	8.41	34,708,400
	1934	2,618,800	1.06	2,776,000	12.62	35,032,400
Alfalfa	1933	560,500	2.32	1,300,000	7.62	10,023,100
	1934	510,300	1.83	933,800	13.45	12,559,700
Alsike	1933	92,300	1.36	125,800	6.70	882,600
	1934	67,400	1.09	73,500	11.50	844,700
Sweet Clover	1933	303,100	2.08	630,000	5.15	3,244,700
	1934	284,200	1.77	503,000	9.40	4,728,900
Total Acreage	1933	9,194,900			Total Value	124,679,600
Total Acreage	1934	8,976,900			Total Value	143,140,500

Report released Dec. 15th, 1934, 11 a.m.

The acreages devoted to other crops in 1933 were as follows: orchards, 197,200; strawberries, 8,600; vineyards, 15,300; other small fruits, 13,500; Summer fallow, 215,100; pasture (cleared), 2,995,500.

Tobacco.—It was estimated that 39,300 acres were grown in 1933, yielding 32,996,200 pounds, or 839 per acre. Of this, Elgin County had 3,350 acres; Essex, 5,400; Kent, 5,870; Norfolk, 22,140; and Oxford 2,250. Barley accounted for 8,000 acres, bright flue-cured, 30,040 acres; and dark types, 1,270 acres.

Rape.—The estimate for 1933 was 14,400 acres of which 4,700 were in Wellington County; 2,100, in Grey; and 2,300, in Dufferin.

The Agricultural and Horticultural Societies Branch reported that in spite of most trying economic conditions and greatly reduced grants, a very successful year had been experienced. In spite of general forecasts that there would be a heavy reduction in the number of annual fall fairs, only 15 fewer fairs were held in 1933 than in the previous year. This was a reduction of five per cent. only. In spite of very dry conditions the quality of exhibits was excellent, and an increased entry was realized at many fairs. Gate receipts were up in several cases, and a number of Societies had a better financial showing than in the previous year. While Horticultural Societies suffered a severe curtailment in grants from the Province and other sources in 1933, the reduction from the previous year was only eight, there being 284 active groups during 1933. Much more attention was paid to the beautification of public properties and other community work.

The Live Stock Branch reported a continuation of useful work in a number of fields, including Market Lamb Fairs, Ram Grading, Cattle Improvement Work, the Federal-Provincial Bull Policy, Beef and Dairy Cattle Shows, and Bacon Hogs Clubs. The Bull Bonus Policy, which had been in operation for a number of years, was supplanted on May 10, 1933, by the Federal-Provincial Bull Policy, under which the various Cattle Breeders' Associations functioning in Ontario were co-operating with the two Departments of Agriculture in inspecting and grading bulls so that a supply of approved graded bulls might be available to the purchasing public. Generous financial assistance was given under this policy to the purchaser of such bulls. There were 1,166 stallions enrolled in the Province of Ontario during the season of 1933; 136 carrying A1 certificates; 153, Approved Form 1; 636, Passed Form 1; 139, Defective Form 2; and 102, Interim Certificates.

The Women's Institutes Branch reported the inauguration of an Institute Newspaper, *Home and Country*, with a circulation of nearly 45,000. Ninety-seven District Annual Meetings were held, the Department of Agriculture providing speakers for 53 of these. In the Autumn of 1933 Conventions were held at 13 centres with an aggregate attendance of about 3,800 delegates.

The Fruit Branch reported that a continuation of the drought of 1932 into the 1933 season seriously affected the industry, small fruits suffering most severely. In spite of a light grape crop prices were disappointing although some benefit was derived from the stabilizing effect of the action taken by the Liquor Control Board. Apples were generally an abundant crop. Heavy movements Overseas to Great Britain by Ontario and Nova Scotia caused a glut which was reflected by very poor returns to those shipping in late

October and November. Fortunately the policy of the Government in assisting in the erection of both cold and dry storages during the previous few years saved the growers from what would have been a disastrous season. Those able to hold their apples until the end of November or later secured fair returns for their season's crop. During the year cold storages were erected at Collingwood, Burlington, Forest and Woodstock, and additional storage for 20,000 barrels was added to the Norfolk Fruit Growers' Association plant at Simcoe.

An increase in the production of creamery butter and a decided decrease in the production of cheese, reversing the trend of the previous year, was observed by the Dairy Branch, which also reported an improvement in the quality of both cheese and creamery butter in 1933.

A more optimistic attitude toward the whole agricultural situation, resulting largely from the improvement in farm prices, was noted by the Agricultural Representative Branch. Encouraged by the brighter conditions, many farmers gave serious consideration to ways and means of improving their farm operations, and the Agricultural representatives were consulted on many problems that the farmer had hitherto endeavoured to work out for himself. Visits to local offices increased ten per cent. over the previous year.

Under the Co-operative Marketing Loan Act six organizations were assisted, the total amount loaned being $52,000 for the year. The Markets Branch, reporting on Ontario activities at the World's Grain Show at Regina, said "Ontario exhibitors certainly secured their share of honours . . . one hundred and fifty-seven prizes were won on 300 entries. In the Late Flint Corn class the first nine prizes came to Ontario. In Blue Grass, eleven of the first thirteen prizes came to Ontario. Mrs. Mary E. Maycock of Milford secured her right to the World's White Bean Crown by taking first prize in the Small White Bean class and second in the Medium class.

The Agricultural Development Board reported a marked decrease in the demand for farm loans during the year 1933, probably reflecting better conditions. The Board granted 3,415 loans as against 4,157 during the previous year. Collections were slow and difficult, but a large number met their payments promptly and in full, and a still larger number paid a portion of their obligation. The Board was able to hand back to the Provincial Treasurer a total of $2,827,293.57 during the year. The Board found it necessary to take over 275 farms in the year. Sales were, however, completed for 178 farms and in 65 others sales had been arranged.

The work of the Ontario Marketing Board in 1933 resulted in an increase of 30 per cent. in the volume of Ontario business in fruits and vegetables done as compared with the previous year. Higher prices were obtained. The Quebec and Maritime business was held and in some lines notably increased. The Board was able to co-operate with the Federal Government and with various Provincial branches to bring about some useful changes in agricultural regulations in connection with domestic and export trade, notably in grapes and other fruit and vegetable products.

Department of Mines. Features of the year under review (1933) in the mining industry were the substantial appreciation in the price of gold, the renewed activity in the nickel-copper industry, and an improvement in silver prices due to the Agreement signed at the World Economic Conference together with the United States policy in regard to the metal. The preliminary Report on the Mineral Production of Ontario, prepared by W. R. Rogers and A. C. Young, and submitted to the Hon. Charles McCrea, Minister of Mines, stated, under date of Mar. 17, 1934, that "the Mining Industry of Ontario, more particularly the metal group, is to-day probably the most prosperous section of industry in the country." Seventy-six companies having a stated capitalization were incorporated in 1933, and two of these companies had both stated capital, and "no par" shares. In addition 19 companies were incorporated having shares without nominal or par value, exclusively. The

number of mining claims recorded rose from 4,945 in 1932 to 8,077 in 1933. The effect of the increase in the price of gold was described by the Minister of Mines, in the Feb. 8 (1933) issue of *The Northern Miner*, in the following terms: "Thirty-five dollar gold will not only enhance the value of our known ore reserves by about 70 per cent., but it will also increase in volume our available resources of mineable gold. These resources will henceforth include not only lower grade sections of our mines which were regarded as worthless rock, but new deposits as well. . . . Many abandoned projects will be revived. . . . Prospecting will undoubtedly be stimulated. Areas which have been combed over in the past by the prospector, who was looking for gold deposits that would pay to mine at the standard price for gold, might well be re-prospected in view of the present valuation. . . . Ontario's position as a gold-mining Province was assured under the standard value of gold at $20.67 per ounce—it is doubly assured under gold at thirty-five dollars." Later developments upheld the above prophecies of the Minister of Mines. Gold output for 1933 was 2,255,516.74 fine ounces, worth $44,448,711 at the old statutory price of gold. to which must be added $15,841,294 covering the premium (the average selling price for the year being $28.60 per fine ounce) the total value thus being $60,400,005. In 1934 the figure would be considerably higher still, due to the further advance in the average price paid for gold. In 1932 the production was 2,287,393.83 fine ounces valued at $47,284,621. The improvement in silver prices from an average of 27.892 cents per ounce (New York) in 1932 to 34.727 cents in 1933 partly compensated for a marked contraction in the production of this metal, the value of the 4,575,028 fine ounces mined being $1,682,714 as compared with 6,216,490 fine ounces valued at $1,910,937 in 1932. The Report stated that a further advance in the price of silver would enable a number of properties to re-open and increase considerably the existing output from the silver-cobalt areas, but "the fact remains that the major portion of the metals has been won and future operations will centre around the recovery of ore overlooked in previous operations." Revival in world industrial activity was reflected in increased production of the nickel-copper group in which ore smelted rose from 793,552 tons in 1932 to 1,523,814 tons in 1933. While matte exported from Ontario to foreign plants increased by more than 100 per cent. the material treated at Port Colborne rose also from 6,651 to 42,209 tons, the latter quantity almost equalling the total exportations. The production of platinum metals, recovered in the refining operations of the nickel-copper industry, was somewhat lower than the year before (55,755 ounces as against 64,897), but toward the end of the year the market for platinum metals was considerably stimulated, due partly to the price gyrations of gold and its consequent restrictions for industrial purposes. The first commercial radium produced in Canada was in 1933 by Eldorado Gold Mines, Limited, from its refinery at Port Hope, Ont. Radium-bearing ore from Great Bear Lake (N.W.T.), where it is associated with silver deposits, was treated for the production of a wide variety of radium salts. The production of talc, salt, feldspar, fluorspar, graphite, quartz, diatomite, mica and petroleum showed an increase in 1933 over 1932. Production of structural materials, reflecting the quietness in construction and the low purchasing power of the farmer and small builder, was in almost every case considerably lower than in earlier years and the demand for cement fell to the lowest point since 1906.

Statistics announced early in 1935 by the Minister of Mines (the Hon. Paul Leduc) showed that the 1934 mining output of Ontario was valued at $144,125,139 and had thus moved to the top of Ontario's primary industries. Gold, the Minister pointed out, held the lead in mineral production, the 1934 output being valued at $70,966,914, as against the revised figures of $61,044,951 in 1933, an increase of 16 per cent. Silver production also had advanced, going up 32 per cent., to a total value of $2,602,326, while nickel and copper recorded substantial advances as well.

Department of Lands and Forests. That the full impact of the depression was felt by the lumber industry in 1933, was indicated in the

Annual Report of the Department of Lands and Forests for the year ended Oct. 31, 1933. This was submitted by W. C. Cain, Deputy Minister of Lands and Forests; E. J. Zavitz, Deputy Minister of Forestry; and L. V. Rorke, Surveyor-General, to the Hon. William Finlayson, Minister of the Department. The revenue figures from Timber administration fell to $1,309,584.23 in 1933 from $2,105,507.85 in the previous year. "The revenue the past year," said the Report, "is just 30 per cent. of what it was four years ago, about the time the financial *débâcle* struck the world." Certain concessions were made by the Department as an assistance to the industry. In the season 1931-32 a reduction of sixty per cent. of the Crown dues had been granted on all timber taken out in the log and scaled on a board measure basis and used for the manufacture of lumber or ties, while during the year ended Oct. 31, 1933, Crown dues to the extent of 100 per cent. were abated, the abatements in each case subject to certain reasonable requirements being met. In order to discuss some of the difficulties confronting the industry, the Department called a meeting in September, 1933, of the Timber Licensees and those directly interested in the Forests Products Industry. Restriction of operations to eliminate over-production during a depressed state, a revision of contract bonus prices that were economically impossible and a reasonable reduction in Crown dues, were subjects dealt with. Pine operators expressed the view that a drastic reduction in rates payable under certain contracts was essential to restoration even with any assurance of an improved general outlook. It was reported that the pulpwood industry had shown an improved tone in the previous six months of the year, plans being projected for substantial increases in the cut on Crown lands, and corresponding gains in purchases from settlers. The quantity of timber cut in the year was notably small. Red and White Pine accounted for only 13,245,846 feet b.m. This was less than half the 1932 cut and the lowest production of many years. Jack Pine was operated in the log to the extent of less than eight million feet b.m. as against over thirty million feet b.m. for the previous year. Between fourteen and fifteen million feet of other lumber, mostly hardwood, was also covered by operations. Pulpwood operations were conducted on Crown areas in about the same proportion as the previous year, 181,929 cords having been returned as against 176,726 cords for the season of 1931-32. Ties showed an increase in the number of pieces from 609,528 in 1931-32 to 1,116,772 in 1933. There were 21 timber sales made during the fiscal year, with 109 square miles involved.

Forest fire protection in the period under review (1933) was less difficult than in the previous year, rain in some sections making the season shorter, and the area burned fell from 679,021 acres in 1932 to 349,958 acres in 1933. A total of 1,919 fires was reported, 91 per cent. of which involved an area of less than 100 acres. The reforestation service reported lifting 4,437,500 trees at St. Williams for distribution, of which 3,439,000 were conifers. The total collections of the whole Department for the year 1933 were only $1,623,091 (after deduction of $275,356 for fire protection taxes, credited against expenditures under Fire Ranging). Expenditures, which could not be cut to conform with the drastic decline in revenues, because they included so many fixed charges, were $1,935,639 as compared with $2,424,453 the previous year.

The report of the Chief Engineer (James Sinton) of the Department of Northern Development showed an expenditure in this branch for the year 1933 of $5,982,088 of which, however, $4,126,866 had been spent under various unemployment relief schemes under the direction of the Department of Labour. The actual disbursements on behalf of the northern development as such were, therefore, $1,855,222. Work on roads and bridges was carried out in the electoral districts of Muskoka, Parry Sound, Nipissing, Sturgeon Falls, Temiskaming, Cochrane South, Cochrane North, Sudbury, Algoma, Manitoulin, Sault Ste. Marie, Port Arthur, Fort William, Rainy River and Kenora, and the Trans-Canada Highway in North Renfrew, west of the town of Pembroke. The total expenditure on this work was $1,637,224. The work in Trans-Canada Highway camps continued throughout the year and satisfactory progress was reported.

Department of Game and Fisheries. A considerable decline in the revenue of the Department of Game and Fisheries was noted in the Annual Report for 1933 submitted by D. McDonald, Deputy Minister, to the Hon. George H. Challies, Minister in charge of the Department. Total revenue for the year was $571,657 as compared with $613,785 in the previous year. The decrease was attributed in the Report to the unfavourable economic conditions prevailing, which had the effect of discouraging expenditures of individuals on recreation. By dint of rigid economy the Department, in spite of the reduction in revenue, was able to show a surplus for the year of $40,935 as contrasted with a deficit in the previous year of $15,391. The number of licences issued for the hunting of large game animals showed a moderate decrease: resident moose, from 1,135 in 1932 to 949 in 1933; resident deer, from 22,932 to 19,065; and general licences for non-residents, from 1,309 to 997. Continuing the experiment begun in 1932 of placing elk in suitable areas of the Province, a shipment of six carloads of these animals was made from Wainwright, Alberta. Some of them were placed on the Chapleau Crown Game Reserve, and the remainder on the newly-created Nipigon-Onaman Crown Game Preserve, lying east of Lake Nipigon. During the year 1933 royalties were paid on 891,704 fur pelts, a decrease of about four per cent. from the previous year. Over two-thirds of these were muskrats, and the list included 10,799 beaver pelts. Trappers received a total of $1,566,055 from the sale of the various pelts. In addition licensed fur farmers disposed of the pelts of 16,296 silver or black foxes, valued at $570,360. During 1933 nine areas of varying extent in scattered sections of the Province were set aside as Crown Game Preserves, the area involved being some two million acres. One of the most extensive of these was the Nipigon-Onaman Preserve in the Thunder Bay district, which covers 1,600,000 acres. This Game Preserve is expected to be a particularly valuable addition to the present system, being in exceptionally favourable territory, and being the second largest in the Province. The Department paid bounties on 2,384 wolves during the year, a reduction of 488 from 1932, the total sum paid being $53,434. There were 806 cases in which offenders against the Game and Fisheries Act were apprehended and charged with violations; and in 1,240 cases the seizure of goods and equipment was involved. Eight gasolene boats, 25 row-boats, four canoes, 13 punts, and 11 motor cars were among the goods seized. The Biological and Fish Culture Branch reported concerning the operation of 18 hatcheries, through which millions of eggs and fry of various commercial and game fish were propagated and distributed throughout the Province. For instance, the distribution of whitefish fry during the year 1933 exceeded the previous year's total by over 143,000,000; the total distribution of this species was only exceeded during the years 1924, 1927, and 1929. Distribution of lake trout to the Great Lakes amounted to 16,257,500 including fry and fingerlings. White Lake in Frontenac County was set aside as a propagatory centre for small-mouth black bass: this was the only water closed to all fishing during the year. Before Fall spawntaking operations were commenced, a commercial fish hatchery, having a capacity for handling 75,000,000 whitefish eggs was ready for operation at Little Current, Manitoulin Island. This was to serve adjacent areas with a satisfactory supply of whitefish fry. It was reported that arrangements were being made to experiment with the introduction of the Kamloops trout, and the Saint John salmon or Ouananiche.

Department of Public Works. The Report of the Minister of Public Works, for the year ended Oct. 31, 1933 showed an expenditure of $1,337,975 of which the maintenance and repair of Government Buildings accounted for $569,929; and the sum spent on the Parliament Buildings, Hospitals, Schools, Court Houses, etc. came to $599,891. The Engineer's report showed that 54 bridges had been constructed during the year, of which 3 were of concrete, 20 of timber, 5 of steel and 26 of metal pipe. It was stated that a new Dormitory Building to accommodate 90 children was under construction at the School for the Deaf, Belleville; and a new dairy barn had been constructed at Ontario Hospital, Orillia, to replace the one destroyed

by fire. At Galt the new Girls' Training School was completed and occupied. The work on the new cell block at the Industrial Burwash farm was continued. Various alterations were made at the Parliament and Departmental Buildings.

Department of Highways. The total expenditure of the Department of Highways for the fiscal year ended Oct. 31, 1933, was $6,056,651, of which $3,282,498 was on Capital and $2,774,153 on Ordinary Account. Of the total, $2,558,782 was spent on the King's Highways; $2,105,894, on county roads; and $1,391,975, on township roads. Revenue for the year totalled $20,050,217 made up of $7,421,160 derived from licence fees and $12,629,057 from the gasolene tax.

Registration of motor vehicles in 1933 was as follows: passenger cars, 453,314; commercial vehicles, 59,760; motor cycles, 4,370; public vehicles, 494; public vehicle operators, 85; public commercial vehicles, 4,235; and public commercial vehicle operators, 2,239.

Department of Labour. The Report of A. W. Crawford, Deputy Minister of Labour, for the fiscal year ended Oct. 31, 1933, announced the end of the downward trend in employment which had prevailed since 1929; the bottom of the trough having been reached in April, 1933, and the subsequent six months showing steady improvement. The gains during the latter half of the year under review more than offset the losses for the first half. The index number of employment as reported by the Dominion Bureau of Statistics, was only 82.9 for the year, as compared with 91.1 for 1932, but on Nov. 1, 1933, it stood 7.2 points higher than at the same time in the previous year. The advances in the index number of employment between Apr. 1 and Nov. 1 represented an addition of 49,700 workers to the payrolls of the firms making reports in Ontario. The greatest activities were recorded in the logging and mining industries; the manufacturing division as a whole showed improvement for the last three months of the year, while construction and trade showed improvement in the last month of the year. The Report stated that while the general outlook was much more encouraging than that of the year before, a very serious condition still existed in respect of the unemployed individuals and their dependants. "Financial reserves are depleted, credit is exhausted, and the cumulative effect of the prolonged period of idleness and dependence on the State is breaking down the morale and health of many of these people to such an extent that they are rapidly becoming unemployable," asserted the Deputy Minister. The depressed condition in the building trades called for special comment in the Report. Building permits issued in twenty-five cities in Ontario in 1933 showed a decrease of approximately 52 per cent. from the previous year, and the amount was only one-eighth of the 1930 total. During the year 141,896 vacancies were reported by Government Employment offices in twenty-seven centres throughout the Province. Applications for employment numbered 295,471 and a total of 134,735 placements were made. There was an increase of more than 7,000 placements as compared with the previous year. At the end of the year (Oct. 31, 1933), according to the Apprenticeship Board, there were 647 apprentices registered in the different trades as compared with 826 in the previous year. Employers were very reluctant to undertake the training of apprentices because of the impossibility of providing continuous employment and only 27 were indentured during the year, or 59 fewer than 1932.

The Minimum Wage Board reported a difficult year. R. A. Stapells, Chairman, called attention to the fact that many industries coming to the end of their resources, had been inclined to reduce wages to the minimum, and even go below the legal minimum in an effort to stave off bankruptcy. However, the Board anticipated that the advent of better times would render the problem of the Board less acute. More adjustments were made, more prosecutions instituted, and more arrears collected during 1933 than in any previous year of its existence. Adjustments totalled 2,500, covering 1,000 firms, while $9,497.77 was collected in arrears of wages. The Board declined during the depression to reduce the minimum wage rates which had been in force

since 1921 and felt that the upward trend in commodity prices beginning in the latter part of 1933 fully justified their decision.

Department of Health. The Ninth Annual Report of the Department of Health for the year ended Dec. 31, 1933, submitted by the Deputy Minister, W. J. Bell, M.B., to the Minister, the Hon. J. M. Robb, M.B., called attention to the fact that the health history of the Province was better during the year than it had ever been before. This advance was considered the more notable because of the unfavourable economic conditions which made it difficult to secure adequate appropriations for health work. The communicable disease situation improved during the year, but the incidence of undulant fever was causing the officials of the Department considerable apprehension. While a remarkably low incidence of small-pox was reported—only fifteen cases for the whole year—there was some concern over a serious reduction in vaccination to protect against the disease. One of the most interesting observations of the year was the very marked reduction in the incidence of diphtheria. Only 529 cases were reported as against an average for the previous six years of 2,918. During the year sufficient toxoid was distributed by the Department for the immunization of 145,000 persons. The principal communicable diseases reported by local boards of health, with the number of deaths in each case, were as follows: chicken-pox, 10,415 with two deaths; mumps, 5,914 with no deaths; measles, 6,779 with 24 deaths; influenza, 4,017 with 141 deaths; whooping-cough, 5,280 with 31 deaths; scarlet fever, 3,753 with 15 deaths; diphtheria, 529 with 26 deaths; tuberculosis, 2,141 with 520 deaths; and typhoid fever, 477 with 19 deaths.

The Report of the Provincial Registrar-General, the Hon. George H. Challies, for the year 1932 gave the number of births registered as 66,842. This was a numerical decrease of 2,367 and a rate decrease of 3.44 per cent. bringing the rate down to 19.2 per 100,000 of population. Disregarding the year 1875, when probably not more than 70 per cent. of births were registered, the rate for 1932 was the lowest recorded in the history of the Province. The Report blamed economic conditions for the decline. There were 34,166 boys and 33,676 girls born. There were 821 cases of twin births, and one case of triplets. The number of marriages was 22,224, a reduction from 23,771 in the previous year. Divorces were granted to 166 men and 175 women. There was an increase of 764 deaths during the year, the rate per 100,000 rising from 10.4 to 10.5. The leading causes of death were organic heart disease, cancer, diseases of the arteries, pneumonia, Bright's disease, tuberculosis, influenza, and apoplexy. The number of deaths from tuberculosis was 1,604, setting a new low record. Deaths from cancer however increased from 3,726 in 1931 to 3,825 in 1932. Infant mortality showed the lowest rate ever recorded, the deaths of children under one year of age being 61 per 1,000 living births. Maternal mortality also recorded a new low rate, deaths being only 5 per thousand living births. In 1932 there were 423 suicides, which was three fewer than in the previous year.

The 64th Annual Report upon the Hospitals and Sanitoria for the year ended Sept. 30, 1933, stated that there were 161 public institutions and 91 private institutions in operation at the close of the year. There was a decrease of 533 patients treated in Public and Red Cross hospitals in 1933, but an increase of 647 patients in sanitoria and 160 patients in Hospitals for Incurables, with a total increase of 175,493 patient days over the previous year. The total number of persons treated in the public hospitals and other institutions in the year 1933 was 228,843. The cost of operating these hospitals was $12,412,904.82, the average daily cost per head being $2.87. Of the total revenue of $13,558,995.67 the income from patients was $6,107,703.54, the remainder being derived from Government grants, donations, and investments.

The total number of patients in Ontario mental hospitals at the end of the year ended Oct. 31, 1933, was 12,236, it was indicated in the Annual Report submitted by B. T. McGhie, M.D., Director of Hospital Services, to the Hon. J. M. Robb, M.B., Minister of Health. This was an increase of 738 patients over the previous year. The increases of the immediate preceding

years was indicated by the fact that in 1923 the total number of inmates was 8,775. It was pointed out in the Report, however, that the increases showed the number of patients in hospital, but not necessarily increases in the prevalence of mental disease, part, at least, of the additions being attributable to enlarged accommodation throughout the Province.

Department of Public Welfare. The third Annual Report of the Department of Public Welfare for the year 1932-33 (ended at Oct. 31) presented by the Minister of Public Welfare, the Hon. W. G. Martin, gave the number of beneficiaries of Mothers' Allowances, as 7,653. In addition, 19,359 children reaped the benefit of this legislation. The close of the year found 45,229 on the Old Age Pensions roll—an increase of 3,681 over the previous year. The average pension paid at the date of the Report was $18 per month. During the year 1,310 pensions were reduced; 5,136 were cancelled by death and for other causes; over $12,000 was recovered from persons who had received pensions illegally; and over $50,000 was recovered by filing claim against the estate of deceased pensioners. The Soldiers' Aid Commission reported having cared for 584 wards. A constant effort to interest employers of labour in unemployed ex-service men was carried on, and permanent employment was procured for 235 ex-service men and their dependants. During the year 720 children were made permanent wards of the Children's Aid Society, while 322 others were made temporary wards. At the date of the Report there were 5,606 Protestant wards, and 1,369 Catholic wards in the Province under the supervision of these bodies. New cases dealt with by the Department under the Unmarried Parents' Act totalled 2,248. During the year 854 children were legally adopted.

Department of the Attorney-General. The Seventh Report of the Liquor Control Board covering the year ended Oct. 31, 1933, and submitted by Stewart McClenaghan, Chief Commissioner, to the Hon. W. H. Price (Attorney-General), announced sales of liquor by the Board amounting to $18,673,046 which, added to sales by the breweries and brewery warehouses of $11,470,201, made total sales for the year of $30,143,247. The decrease from the previous year, reflecting the economic depression, was 16.5 per cent. This was not so great as in the previous year, when the reduction was 21.2 per cent. while the decline notably abated during the latter months of the year. The Board was able to report a net trading profit of $4,731,692, and revenue from permits and other sources made it possible to turn over a total of six million dollars to the Provincial Treasurer during the year. In the seven years of its existence the Board had turned over, the Report stated, about fifty-five million dollars to the Government. During the year a new Trade Treaty between France and Canada terminated previous low rates of duties on French Cognacs and wines and, coupled with the rise in the value of the French franc the prices of these commodities had to be increased. However, as a result of the Imperial Conference Agreements better rates on wines and brandies were quoted from Australia and South Africa. The number of liquor permits issued was 192,894 resident and 21,762 non-resident, a total of 214,656. This was a reduction of 27.2 per cent. from the previous year. Cancellations of permits totalled 2,886. This was a reduction of 1,235. No new stores were opened during 1933, the total being 124 at date of the Report. During the previous three years, the Report stated, the brewing industry in conjunction with the Provincial and Federal Departments of Agriculture, and with the endorsation of the Board, had carried on an extensive programme calculated to encourage the Ontario farmer in growing more and better barley suitable for malting purposes. In that period some $17,000 had been spent by the industry for that purpose.

R. Leighton Foster, Registrar of Loan Corporations, submitting his Annual Report to the Hon. William H. Price on Dec. 1, 1933, covering the business of 1932 (the latest available), announced that total assets of loan corporations had decreased during the year from $239,900,000 to $233,000,000. More than half this reduction of assets was reflected in the contraction of the deposit and

debenture liabilities of such corporations. Trust company assets exclusive of those held for estates, trusts, and agencies, for the second successive year decreased. Estates, trusts and agency funds of trust companies again showed an increase. The gain for the year was $96,000,000 which brought the total of all such funds well over the two billion dollar mark. Evidence of the prolonged period of economic stress was reflected in the decline of the principal asset of loan and trust corporations, namely, mortgages. Loan corporation mortgages decreased $5,000,000 and trust company mortgages, $3,200,000. Interest due and charged but unpaid more than quadrupled in the three years prior to the issue of this Report, having been only $1,890,000 at the end of 1929 and $7,200,000 at the end of 1932. Mortgage interest outstanding on eastern loans increased during 1932 by $600,000 to stand at $2,000,000 at the end of the year. Reductions in earnings in 1932 were shown by loan corporations which fell by $550,000 to $4,400,000; and by trust companies which fell by $700,000 to $2,570,000. The Registrar ventured the opinion that in view of circumstances both loan and trust corporations had done remarkably well. Net earnings of loan corporations worked out at 7.08 per cent., while dividends totalled 6.73 per cent. of the shareholders' investment therein. Earnings of trust companies worked out at 5.58 per cent. of shareholders' investment, while 4.90 per cent. was declared in dividends. The percentage of liquid assets to deposits (all companies) rose from 38.27 on Dec. 31, 1929 to 60.70 per cent. at the end of 1932.

The Annual Report of the Ontario Provincial Police, submitted by Major-General V. A. S. Williams, C.M.G., Commissioner, to the Attorney-General, indicated that the strength of the Force at the end of the year under review (Oct. 31, 1933) was 369, all ranks: 16 members of the Force and two of the administrative staff were struck off strength during the year and no new appointments made. The total number of cases prosecuted by members of the Force under all Acts and Statutes during the year was 19,540, a decrease of 2,541 over 1931-1932. A slight increase in some of the more serious crimes against property was noted. Prosecutions under the Criminal Code and all other Statutes (exclusive of the Highway Traffic Act, where convictions were 10,363 and under the Liquor Control Act, where they numbered 2,996) were 6,181, a decrease of 441 from 1931-32. The number of investigations made by members of the Force, covering matters of every conceivable description, was 31,005.

W. W. Denison, Inspector of Legal Offices, presenting his Annual Report for the year ended Dec. 31, 1933, stated that the number of suits entered for the year, exclusive of transcripts of judgments and judgment summons, was 63,222, and the amount of claims sued for aggregated $3,950,106. The total moneys paid into court during the year amounted to $1,215,902 and the total paid out amounted to $1,212,551. The actual work of the courts was somewhat less than in the previous year owing to a falling off in the tourist trade which consequently lessened the traffic cases, and a reduced sale of liquor which had an effect on the number of cases of violations of the Liquor Control Act.

The Workmen's Compensation Board (V. A. Sinclair, K.C., Chairman), reporting for the calendar year 1933, was able to announce a reduction in the number of accidents reported to the Board of about eight per cent. as compared with 1932, the number being 38,042. From August to the end of the year each month showed an increase in the number of accidents over the same month of the year 1932, indicating that there was a sustained increase in employment in industry under the Act for the latter part of the year 1933. The allowed claims in 1933 numbered 33,706, as compared with 43,904 in 1932. Death claims allowed in 1933 numbered 167 as compared with 283 the previous year. The total amount of benefits awarded fell from $5,125,620 in 1932, to $3,699,069 in 1933. The average rate of assessment was 98 cents for all classes in Schedule 1.

Formal applications made to the Ontario Municipal Board in the year ended Dec. 31, 1933, numbered 504 and covered a variety of subjects, the 28th Annual Report, as submitted by the Board (Chairman, C. R. Mc-

Keown) to the Attorney-General, indicated. Two applications were made by urban municipalities for annexation of additional territory thereto during the year. Applications numbering 64 were made to the Board seeking validation of municipal debentures of a total value of $4,236,435. The Board was able to grant relief in nearly all of these cases, included in which were 45 By-laws affected by irregularities which would otherwise have probably required special Acts of the Legislature to make the debentures valid and saleable.

In connection with unemployment relief 27 applications were considered involving debenture issues of $4,594,002 for relief works and, also under the Act of 1933, 12 applications totalling $2,432,437 for direct relief. There were 47 assessment appeals to the Board during the year, the assessed value of the property affected being $24,643,764. Accident reports received from Provincial railways showed 11 persons killed and 834 injured during the year.

Prisons and Reformatories. The Sixty-Sixth Annual Report covering prisons and reformatories in Ontario for the period ended Oct. 31, 1933, submitted to the Provincial Secretary by C. F. Neelands, Deputy Provincial Secretary, showed that 14,538 persons had been sentenced to prison in 1933. This was a reduction of nearly 1,300 from 1932 and was the lowest figure since 1927. Commenting on this fact the Report said: "It has been said that poverty and crime go hand in hand. Whatever element of truth there may be in that saying it has not been demonstrated during the three trying years through which we have just passed." Prisoners committed to reformatories showed a preponderance of young people. Out of 4,076 so committed during the year, 538 were in the age group, 15-19; 730 in the group, 20-24; 579 in the group, 25-29; and 531 in the group, 30-34. Crimes against property led the list, there being 762 commitments for larceny and 451 for housebreaking and robbery. The number of gaols in Ontario during the year was 47. Four escapes and four captures were noted for the year. The deaths in gaols numbered only nine as compared with 33 in the previous year.

The Hydro-Electric Power Commission of Ontario. An encouraging account of increased activity in the industrial world and consequent enlarged demand for hydro-electric power was contained in the 26th Annual Report of the Hydro-Electric Power Commission of Ontario for the fiscal year ended Oct. 31, 1933, and presented by the Hon. J. R. Cooke, M.L.A., Chairman, C. Alfred Maguire and the Rt. Hon. Arthur Meighen, comprising the Commission. At the end of the period under review, the number of municipalities served in Ontario by the Commission was 757, including 27 cities, 96 towns, 269 villages and police villages, and 365 townships. During 1933 the chief item of constructional work was the completion to its initial operating stage of the Abitibi Canyon development on the Abitibi River. Active construction had been commenced in August, 1930, but in July, 1932, financial difficulties caused the work to be shut down. However, by that time the plant was nearing completion. The Ontario Power Service Corporation, a subsidiary of the Abitibi Power and Paper Company, which had begun the construction, was placed in a receivership in November, 1932. It was then decided to continue construction so far as to place two units in operating condition, the equipment for the remaining three units being stored at the development, to be used when load conditions required their installation. Work was prosecuted vigorously from the beginning of the fiscal year, Nov. 1, 1932, and by the end of March the tailrace excavation was completed. Unit No. 1 was turned over for the first time on May 4, and delivered commercial load on May 24, 1933. No. 2 unit was placed in service on Aug. 27, 1933.

The year's operation of the hydro systems was described as satisfactory, with few interruptions to service and unimportant failures of equipment. Rainfall was, however, much below normal and seriously reduced the stream flow and the capacity of the generating plants on the Eastern Ontario and

Georgian Bay systems. On the Georgian Bay system the reduction in generating capacity was offset by an increased transfer of power from the Niagara system, while on the Eastern Ontario system, where low stream flow during certain periods reduced the capacity of all the generating stations on the Trent river to less than 40 per cent. of their normal maximum capacity, a severe power shortage was only averted by obtaining a supplementary supply of reserve power from the Gatineau Power Co. The Report noted with satisfaction that except in a very few cases the rates for service during the depression were maintained at their previous low levels, or had even been made lower.

The improvement evident in the late months of 1933, as compared with the previous year, is illustrated in the figures quoted for power demands in typical months (Canadian loads only). The demand for power in October, 1933, was 1,272,097 h.p. as compared with 1,055,943 in October, 1932; while in December, 1933, it was 1,440,046 h.p. as compared with 1,037,957 the year before. In this connection the Report stated:

"In last year's Report reference is made to the fact that the marked downward trend of load in 1931 had been largely arrested, and that the decrease in 1932 was very slight. During December of 1932 and January of 1933, further decreases occurred, but since April, 1933, the trend has been steadily upward. By the end of the fiscal year, Oct. 31, 1933, all ground lost during the first part of the year had been regained, and the year closed with a net increase. This gain for 1933 seems of special significance when compared with the losses of 1931 and 1932. . . . In October, 1933, the total peak load of the Commission reached the high figure of 1,366,000 horse power, an increase of 23 per cent. over the corresponding month of the previous year. This is the highest load ever carried by the Commission, in any month, either before or since the beginning of the depression." It is explained, however, that inaccurate inferences regarding industrial conditions might be derived from this, without the additional fact that the above total contained a considerable quantity of "secondary power." Actually the "firm load", which is a more dependable gauge, in October 1933, was higher than in the corresponding months in either 1932 or 1931, but was slightly below the figure for 1930, which registered the all-time record.

Capital investment in the Commission was given as $285,003,969, exclusive of Government grants in respect of construction of rural power districts' lines; in addition the investment of municipalities in distributing systems and other assets was $109,657,574, making in power and hydro-electric railway undertakings a total investment of $394,661,543. The revenue for the year from municipal electric utilities and other power customers was $27,520,854. Operation, maintenance, administration, interest and other current expenses came to $27,275,570. After providing $4,839,839 for reserves, the debit side of the account was $32,115,409. To meet the operating deficit a sum of $4,236,607 was drawn from obsolescence and contingencies reserves, leaving a net balance charged to municipalities under cost contracts of $357,948. In concluding his Report, Mr. Cooke (Chairman) stated that it was gratifying to be able to report that the results then available for 1934 showed substantial betterment over the results for corresponding periods of 1933.

The Temiskaming and Northern Ontario Railway. The total revenue on the Temiskaming and Northern Ontario Railway, according to the Annual Report of the Commission for the year ended Oct. 31, 1933, which was submitted to the Lieutenant-Governor by George W. Lee, Chairman, was $3,238,225, as compared with $3,916,610 for the previous year. This was a reduction of $678,382, or 17.3 per cent. Operating expenditures were decreased from $3,062,956 to $2,541,163, the reduction being $521,793. The net result, after capital charges had been met, was $32,538 as compared with $473,085 in the previous year. The Chairman called attention to the growing importance of gold mining, the most important industry of the area

served by the railway. The export of gold, he noted, had recently become the second greatest in Canada, being only surpassed by wheat. Since the inception of the T. and N.O. Railway, the wealth produced by Northern Ontario mines, in territory served by the Road, was approximately $756,-152,377, Mr. Lee stated. The total mileage operated during the year was 691.4 miles.

The Ontario Research Foundation. Research work on clays and fuels procured from Northern Ontario formed one of the most interesting branches of the activity of the Ontario Research Foundation for 1933, the Annual Report of which was submitted by Sir Joseph W. Flavelle, Chairman, to the Lieutenant-Governor on behalf of the Director (H. B. Speakman, D.Sc.) and his staff. Thirty-seven samples of clay and of sand were obtained from the vicinity of the Missinaibi River. The clays proved, with few exceptions, to be highly refractory. A white clay with possible usefulness in the paper industry was among those secured. High-grade fire bricks, the Report stated, could be made from one or two clays, using standard methods and without the addition of grog. Certain clays were considered suitable for whiteware. The iron-stained clays, it was stated, might be used for red pottery, while the best clays of Group 1, consisting of white, sedimentary kaolins, might be used to displace the duller of the English clays in the newsprint, coloured paper, linoleum, and, possibly, alum industries. In 1933 a four-ton sample of a promising fire-clay was secured with the purpose of making some plant-runs of fire brick. Included in the work done on Northern Ontario lignite was the development and operation of a semi-commercial rotary drier, capable of turning out relatively large throughputs of lignite containing less than 3 per cent. moisture. The lignite problem was recognized as chiefly one of the economics of the distribution and sale of fuel in Northern Ontario, and monthly surveys, it was stated, were being carried on in this field.

During the year 70 companies made use of the services of the Foundation. Attention was called to the inadequacy of the research equipment and staff in the field of textiles, which was "out of all proportion to the size and importance of the industry in Ontario." In the department of metallurgy 40 investigations were carried out among which were studies of the chlorides of those metals found in Ontario, namely, gold, nickel, copper and iron. From the information obtained an effort was made to separate the metals in complex ores by conversion into chlorides and fractional volatilization. Interesting studies in leather were made in the department of bio-chemistry. A study was made by the agricultural division of the cause of hitherto mysterious failures in oat crops in certain portions of Ontario. The co-operative marketing of agricultural products was made the subject of a survey by the agricultural economics branch.

Motion Pictures. The most significant feature of the Report of the Board of Censors of Motion Pictures for the year ended Oct. 31, 1933, was the increase in British films imported and exhibited. In the twelve months the number trebled as compared with the previous year. Even so, the number of British feature films approved and exhibited was only 76 as compared with 490 from the United States. Other British films brought the total number from that country up to 108. Another interesting development was the use of films for class-rooms in the universities, certain organizations or their subsidiaries having co-operated with leading universities of the United States in producing them. Such films were being used with considerable success in first-year classes to demonstrate elementary and fundamental principles in general science. The Report, submitted by J. C. Boylen, deplored the marring of the dialogue of so many motion pictures by unacceptable vulgar speech. Of the 2,219 film subjects submitted to the Board, 1,494 were approved as submitted, 701 were approved after certain deletions or revisions were made, while 24 were not approved.

Municipal Statistics. The Eighteenth Municipal Bulletin, giving Municipal Statistics for 1933, reported 938 organized municipalities in the Province, divided into the following classes: counties, 38; cities, 28; towns, 146; villages, 155; and townships, 571. There were, also, 11 districts which had not county organization. The village of Barry's Bay in the County of Renfrew appeared as a new municipality in 1933.

Assessed population in 1933 was 3,257,666 as compared with 3,239,437 in 1932; and the assessed acreage was 25,807,220 as compared with 25,822,800. Total assessment was $3,163,733,491 as compared with $3,207,396,156 in the previous year. Taxes imposed were $120,431,558 as compared with $126,835,-014; and the debenture debt was $494,433,956 as compared with $504,755,977. Assets were given at $741,643,439 as compared with $746,393,797; while liabilities stood at $627,365,793 as compared with $632,367,489. Receipts for the year were: taxes $128,089,995; all other, $26,110,222: a total of $154,200,217 as compared with $157,448,761. Expenditure stood at $148,640,971 as compared with $156,668,049 in the previous year.

Inquiries into Children's Aid Societies. On Nov. 17, 1933, a Royal Commission of Inquiry by M. A. Sorsoleil, Deputy Minister of Public Welfare, was instituted by the Ontario Government into alleged cruelty and unsatisfactory management at the Children's Shelter at Windsor, Ont. Specifically, the matrons of the Shelter, Misses Catherine and Magdalene Strang, were charged with having acted in an unhumane manner toward certain of the inmates, with having employed cruel and unnecessary punishments, and with having maintained an atmosphere in the Shelter more like that of a reformatory than that of a children's home. Ninety-nine witnesses were examined and some eighty-one exhibits filed. The Report of the findings disposed of suspicions which had been raised in the course of the Inquiry as to the manner in which two of the children (Ivan "Buddie" Stephens, and Marie Godsell) had died and as to the excessive use of bi-chloride of mercury tablets at the Shelter. The Commissioner accepted the findings of the pathologists that both children had come to their deaths from an infection of the bowels, the case of Ivan Stephens being complicated by congenital disease. As to the other charge, Mr. Sorsoleil stated "that alarmingly large quantities of bi-chloride of mercury tablets were purchased, and that considerable carelessness was shown by the matrons in storing the tablets." While many of the specific charges of cruel treatment were either dismissed or written down as not substantiated, the Inquiry revealed some basis for the allegations. The Commissioner was critical of the amount of corporal punishment used, and he reported that "the Misses Strang did use objectionable terms towards the children and did say objectionable things concerning their past history." He also accepted the evidence that older girls, from 14 to 17 years, had been ordered to assist in bathing boys up to 12 years of age, and in one or two cases even older boys. Regarding the general atmosphere of the Shelter, the Commissioner had this to say: It "was that of a place in which children were suffered or tolerated rather than the atmosphere of a home; there was no organized effort to provide anything in the way of recreational and play outlets for the children in the Shelter; and there was a constant use of minor punishments which must have kept the children in a state of fear and irritation." The Commissioner was also critical of the administration of the Shelter by the Society, and of the supervision exercised by the Local Superintendent. Recommending that the Misses Strang be not reinstated, Mr. Sorsoleil added: "It is quite possible that the Misses Strang began the work in the kindliest possible spirit, but that several years of constant association with children requiring special care and special treatment, the full responsibility of the management of the Shelter, the nervous strain of conducting the children through two serious epidemics caused in the two matrons a nervous, irritable and, at times, unreasonable frame of mind which produced the conditions described in this Report." In order to improve the organization and administration of the Society, the Commissioner advised that the existing body be dissolved and afterwards re-organized along the lines indicated in the Model

Constitution and the By-Laws issued under Order-in-Council by the Department; he recommended also that the Local Superintendent be asked to tender his resignation.

His Honour Judge James Parker was, on Mar. 17, 1934, constituted a Royal Commissioner to inquire into the conduct, management, and administration of the Children's Aid Society of York County. After numerous hearings the Commissioner presented on Sept. 14, 1934, a verbal report and subsequently submitted to the Hon. David Croll, Minister of Public Welfare, a written report. In the first-named he stated that the charges upon which the Inquiry had been based had received almost entire substantiation, itemizing them with the following verbal comment:

Charge No. 1—He declared as substantiated the charge that the York County Children's Aid Society had failed in its functions under the Children's Protection Act.

Charge No. 2—He declared as substantiated the charge that the Society had discharged its functions in a negligent, incompetent and inefficient manner.

Charge No. 3—In regard to this charge, involving the character and fitness for his position of Superintendent George Little, he found that "as a result of drinking during hours which he should have devoted to his duties, Colonel Little impaired his fitness for his position." (*The Globe*, Sept. 14).

Supplementing these findings, the written report of the Commissioner stated that "the motto of the Society seemed to have been to take the neglected children under its care only when all other alternatives had been exhausted." His conclusion, he stated, was that "the Society dismally failed in its functions, and all too frequently was negligent and inefficient. . . . the excuse, if any, is lack of sufficient funds, but this could have been overcome if the Society had availed itself of the provisions of the Children's Protection Act." He added that while the Society was for some years adequately meeting its duties, it failed to rise to the new obligations imposed upon it by the depression years.

Commenting upon the report, the Minister of Public Welfare observed that his Department had already called for the resignation of Colonel Little and the entire Board of Directors.

The General Election of 1934: A Conservative Defeat

The Eighteenth Legislature was dissolved on May 16, 1934, and the date of the General Election set for June 19. The official Liberal campaign, however, had begun six weeks before dissolution, and preparations of one sort or another had been under way long before that. Some of the earlier political issues raised by the Liberals and replied to by the Government have already been discussed (see this Section: "The Last Year of the Henry Government"). Several of these—the Liberal allegations of extravagance coupled with pledges of economy, the attacks against the Abitibi Power purchase and the charges of maladministration of relief in Northern Ontario—were continued throughout the relatively brief but bitter campaign. Moreover, both sides found new ammunition as the days went by. The Liberals, under the aggressive leadership of Mitchell F. Hepburn, who resigned his seat in the House of Commons immediately after the dissolution of the Ontario Legislature, showed more energy and enterprise than they had since the departure of the Ross Government from office in 1905. They were particularly ingenious in discovering vulnerable points in the Henry armour and, in fostering political antagonism against the Party in power, they were unquestionably helped, as had been also the Liberals in Nova Scotia, British Columbia and Saskatchewan, by the widespread effects of the depression on agriculture and employment in general. Against the bewildering succession of charges hurled in the course of the campaign, the Conservatives waged a resolute battle, countering wherever possible and reciting the record of the Government in rebuttal of the blanket charges of inefficient administration. An important feature of Liberal policy frequently enunciated during the campaign and one that was to become still more prominent after the Election,

was the promise to the farmer of the back concession and to the taxpayer in general that the administrative costs of government would be ruthlessly slashed.

Highlights in a statement of the Prime Minister on Apr. 5 were of particular interest to a large section of the electorate: there was to be an increase of 25 per cent. in the voucher allowance for food for the unemployed and an increase in wages at the Trans-Canada Highway camps from $10 a month to 25 cents per hour. Referring to the "McCaughrin" affair, he pledged his Party to the establishment of retiring allowances for magistrates requiring such assistance. Further relief to the unemployed was intimated by the Prime Minister at a meeting at Scarborough (East York) on the 26th when he announced that a list of public works involving an expenditure of $10,000,000, in addition to those already passed, was being placed before the Federal Government for approval. At this meeting and at one held two days previously in the Danforth School auditorium, in Toronto, Mr. Henry was subjected to some heckling. *The Mail and Empire* (Apr. 25) described the meeting on the 24th under the caption: "Turbulent East York Rally Reaches Peak as Chairman Tells Henry 'To Go To Hell'."

At a banquet in his honour at the Royal York Hotel on May 3 the Prime Minister revived the Beauharnois Scandal: "How much money," he asked "came from the Beauharnois site to reinforce the purse of the Liberal Party in this Province? How much of the three-quarters of a million was passed over to him (Hepburn) for campaign purposes?"

May 22 saw the swearing in of a new member of the Henry Cabinet and the publication of the Conservative Manifesto. James Percy Moore, K.C., Member for London North in the two previous Legislatures, became Minister without Portfolio. The principal points of the Conservative platform were as follows:

1. A land settlement scheme involving the bonusing of settlers upon Crown lands, the administration of which was to be under the Department of Agriculture;

2. Assumption by the Province of 90 per cent. of the cost of the King's Highway system, leaving only 10 per cent. to be borne by the counties instead of 20 per cent. as formerly;

3. Reduction of the rates of interest on loans from the Agricultural Development Board from five and a half to five per cent.;

4. More liberal administration of the Mothers' Allowance Act;

5. Study by the Hydro-Electric Power Commission of Ontario of a zoning system aimed at reducing the spread in cost of service between rural and urban consumers; and

6. Support of unemployment insurance and a minimum wage for men.

Speaking at Kingston on June 6 Mr. Henry promised that if a special Session of the Legislature were needed to implement the Federal Government's new farm-debts legislation, it would be called immediately after the Election. Three days later, at meetings in his own riding (York East), he promised that his Government, in administrating the new liquor legislation, would respect to the full the local wishes of the "dry" areas. At these same meetings he declared that the Province would look after the unemployed even if the Federal Government ceased paying any share of the unemployment relief. After receiving an enthusiastic reception at London on June 14 Mr. Henry ran into a stormy atmosphere the following day at Brantford when ripe tomatoes were freely flung before and during a meeting in the Brant Theatre. The Prime Minister who was reported as having been struck on the back with the flying vegetables took the incident in good humour (*The Mail and Empire*). At the meeting he alleged that Morrison M. MacBride, Mayor of Brantford, and Independent candidate for the riding, had been dismissed from office in the Highways Department "because of irregularities in his accounts". On June 17, speaking at Thorold, Mr. Henry charged Mr. Hepburn with having "sold himself out" to those who were opposed to the St. Lawrence development as a public enterprise and he challenged him to tell the electors

how much he was getting for his present campaign "from the power barons of Montreal" (*The Mail and Empire*, June 18, 1934).

Harry C. Nixon, head of the Progressive group in the Legislature and an ally of Mr. Hepburn since 1932, reiterated, on Apr. 5, the proclamation of the Liberal Leader that all recent appointments to office by the Henry Government would be cancelled if the Liberals were elected. This had particular reference to the appointment of W. H. Elliott, retiring Member of the Legislature for Rainy River, to the post of Local Registrar, and of W. W. Staples, a former Member for Victoria South, to a similar office for his riding (*The Globe*, Apr. 6, 1934). By this time rumours of serious differences of opinion among the Liberals were being circulated, chief of which was, that Dr. McQuibban was at odds with his Leader. This was denied and as the Election date approached the reports, to a great extent, lost credence, although Dr. McQuibban told one audience that he favoured a referendum on the liquor question (*The Evening Telegram*, Toronto, May 1).

The Liberal Party's attitude to the liquor legislation was set forth in an official statement on Apr. 22 by Mr. Hepburn. He promised, in the event of his coming into power, to proclaim without amendment the Henry "beer and wine" Act, adding that the injection of the liquor issue into the campaign was nothing more than "a desperate effort to becloud the more important problems confronting our people" (*The Mail and Empire*, Apr. 23). At Milton the Liberal Leader, a few days later (Apr. 28), declared that a "toll-gate" system for liquor was in operation in the Province whereby British distillers paid commissions to agents on their sales of liquor in Ontario (*The Globe*, Toronto, Apr. 30). These charges were enlarged and reiterated as the campaign continued. On May 9, at Pembroke, Mr. Hepburn alleged that Harry I. Price, Conservative Member for West York, and his brother, Ray Price, who had been Conservative Member in the riding at one time, held "and possibly still holds" a distiller's agency for the sale of liquor to the Ontario Liquor Control Board (Canadian Press dispatch). The recital of these names was an acceptance of Mr. Henry's challenge "to produce evidence to substantiate his liquor toll-gate charges, or cease his murmurings." Mr. Hepburn also asserted that one day's business netted the agency $15,000. The entire system, he claimed, involved a profit of $3,000,000 a year. These allegations were denied by Stewart McClenaghan, Chairman of the Liquor Control Board, two days later (*The Mail and Empire*).

Refuting Mr. Hepburn's charges, Harry I. Price (York West) on May 12 denied that he had ever held an agency for the brand of whiskey mentioned, while his brother, Ray Price, asserted that he had resigned from the agency as soon as he had been nominated. (*The Globe*, May 14). Two days later Mr. Hepburn was advised that a writ alleging libel had been issued against him by the latter (Ray Price), the remark of the Liberal Leader which seemed to have caused most offence being that Ray Price was "as elusive as Dillinger (a notorious United States gangster)."

That the Conservatives were financing third-party candidates in the hope of splitting the Opposition vote, was another claim made by the Liberal Leader on May 21, when speaking at Niagara Falls. Five days after the publication of the Conservative Manifesto, he issued a statement countering the items of the programme. He charged the Government with "attempting to buy the electors with their own money" through "lavish expenditure of public money." In addition to a recital of alleged mismanagement of affairs by the Government, Mr. Hepburn's statement outlined the policies which his Party would follow if elected. He promised that they would give to the Hydro-Electric Power Commission "courageous and economical management" and would "restore the benefit of low light and power rates together with a much more widely distributed service." He also endorsed unemployment insurance, reasonable wage-scales and hours of labour. The statement declared for "the British principle of free speech and the right of assembly." On May 31, speaking at Blind River, he was quoted by the staff correspondent of *The Globe* as declaring "there will be no more lieutenant-governors in this Province till we get out of the present period of depression." On June 2,

speaking at Sundridge in the Muskoka district he explained how he proposed, if elected, to carry out his promise to reduce administration expenses by 50 per cent. "We have in Ontario," he said. "23 separate boards and commissions, most of which are not functioning properly and which could be abolished." Attacking the "luxurious limousines" driven by members of the Henry Cabinet Mr. Hepburn pledged that neither he, as Prime Minister, nor members of his Cabinet would drive cars bought with the taxpayers' money. Finally, during the last week of the campaign, he followed up Mr. Henry by himself promising a special Session on unemployment relief if the Bennett Government carried out their policy of ending Federal contributions.

The Co-operative Commonwealth Federation entered the Ontario General Election field for the first time. Their Manifesto, issued on May 22, called for the elimination as soon as possible of the principle of direct unemployment relief and the substitution of work at prevailing union rates of pay; the abolition of the office of the Lieutenant-Governor and the transfer of some other offices to the Dominion Government; extension of the Mothers' Allowance Act; free speech and free assembly for all. The Manifesto also called for the establishment of minimum weekly wages and drastic curtailment of working hours. While Mr. Henry made what *The Mail and Empire* called "a withering attack" on the C.C.F. in his meeting at Todmorden, Mr. Hepburn was inclined to solicit the support of C.C.F. voters. The Executive Committee of the Party, however, announced on June 11, a policy of independence both before and after the Election. Graham Spry, Chairman of the Committee, asserted that on no account and for no party would any C.C.F. candidate be withdrawn (*The Mail and Empire*, June 12). There would be, he said, no co-operation in the contest with the Liberals or any other group, while in the event of a balanced Legislature any C.C.F. Members would vote to oust the Henry Government from office.

Nomination day (June 12) found political fervour at its peak, no less than 262 candidates were being nominated throughout the Province. Not a single acclamation was given, and though the number of ridings had been reduced from 112 to 90, there were 40 more candidates than in 1929. Included in the 262 were 90 Conservative candidates, 82 Liberal, 37 C.C.F., 14 Independent, 13 Communist, 5 Labour-Socialist, 4 Liberal-Progressive, 3 Independent-Liberal, 3 Independent-Conservative, 2 United Farmer of Ontario, and one each of the following: Liberal-Labour, Farmer-Labour, Independent-Farmer, Independent-Dry, Socialist, Labour, Workers' Industrial, Dry-Liberal, and Independent-Labour. During the last hectic week of the campaign a religious issue was injected by the publication of a letter from the Catholic Taxpayers' Association, urging Catholics to oppose the Henry Government in the forthcoming Election on the ground that they had failed to take any action in respect of their (the Association's) requests for taxation relief, and that they had been treated "with a degree of discourtesy amounting to absolute contempt." The inference drawn by Mr. Hepburn's opponents was that the Liberal Leader had promised, if elected, to amend the School Act, but on June 15, the latter made a specific denial of any pledges given to the Catholics, adding that he had never been even approached by the Catholic Taxpayers' Association. The campaign closed with both sides claiming victory with a substantial majority.

The Results of the Election. The General Election on June 19, 1934, resulted in a landslide in favour of the Liberals, after 29 years in Opposition. There had seldom been so decisive a reversal in Canadian political history. The Conservatives went to the polls with 84 Members and returned with 17. The Liberals went with 15 and returned with 65. The Liberal forces were still further strengthened by the election of four Liberal-Progressive candidates (as against four Progressive and one Liberal-Progressive Members at dissolution) and one Liberal-Labour (Earl Hutchinson, Kenora). Thus the total Liberal and allied ranks aggregated 70—a clear majority of 50 over all opposition—in a new Legislature of 90 Members. The Hon. George S. Henry (Prime Minister), his right-hand man, the Hon. W. H. Price (Attorney-General), the Hon. Leopold Macaulay (Minister of Highways and Minister of

Public Works) and the Hon. C. H. Challies (Secretary and Registrar) were the only members of the Cabinet to survive the Election, Mr. Price having had a close battle. No less than eight Cabinet Ministers went down to defeat, Messrs. McCrea, Finlayson, Kennedy, Martin, Robb, Poisson, Moore and Scholfield. The northern part of the Province went solidly Liberal, and the Conservatives were unable to win a single seat in Ontario west of York County. The Liberals for the first time in years invaded "Tory Toronto" and succeeded in electing six candidates in the City, and two in York County. The drastic nature of the upheaval was shown, also, by the fact that the Conservative Party did not gain a single seat from their opponents, every former Opposition Member having been elected in his riding. While "third-party" candidates polled a respectable aggregate of votes, they were only a factor in a small number of ridings, and the new Co-operative Commonwealth Federation elected only one candidate, Sam Lawrence, in Hamilton East. In several of the Toronto ridings, however, C.C.F. candidates polled four thousand votes or more. The three Leaders, Mr. Henry, Mr. Nixon and Mr. Hepburn, each won his own riding easily, the Prime Minister securing 12,078 votes as against 8,335 for Harry Sanders, the Liberal nominee, his closest competitor in a field of six.

Although the Conservative Party was defeated the popular vote for Conservative candidates was greater than in the 1929 General Election. The returns indicated, however, that the popular vote of the victorious Liberal Party more than doubled the 1929 Liberal poll. According to an unofficial Canadian Press survey (*The Mail and Empire*, June 30) out of a record total of 1,493,707 votes, the Liberals were accorded nearly half, or 717,055. The Conservatives, who won only 17 out of 90 seats, actually polled 595,133 votes compared to 586,246 in the General Election in 1929. The increase of almost half a million votes in the total was largely to the benefit of the Liberals, the analysis of the returns showed. The Co-operative Commonwealth Federation also took a good proportion of the increased vote getting a popular total of 98,489 although only one of their candidates was elected. The vote in the General Elections of 1926 and 1929 as well as that of 1934 were as follows (1934 final returns quoted 1,561,825 votes counted):

	1926	1929	1934
Conservative	647,577	586,246	595,133
Liberal	224,951	323,509	717,055
Progressive	88,969	37,903	.....
C.C.F.	.....	.....	98,489
Others	185,024	64,222	83,030
Total	1,146,521	1,011,880	1,493,707

An analysis of the returns disclosed that in the 65 seats they won out of 90 the Liberals had an aggregate majority of 167,523 votes. This approached the aggregate majority of 168,387 for the Conservatives in the 84 seats they successfully contested four years previously. The total number of seats was reduced from 112 to 90 by redistribution. The Liberals had an average majority of 2,577 votes in their 65 seats. This, *The Mail and Empire* stated, was interesting in view of the fact that 262 candidates ran for 90 seats as compared with 229 in 105 contested seats in 1929.

The following list gives the constituencies and the elected candidates to each with his Party affiliation, the votes polled, and majority:

Constituency	Politics	Candidates Elected	Votes Polled	Majority
Addington	Con.	†William David Black	7,223	1,024
Algoma-Manitoulin	Lib.	Wilfred Lynn Miller	9,247	3,786
Brant	Lib.-Prog.	†Harry Corwin Nixon	9,402	5,108
Brantford	Ind.	Morrison M. MacBride	8,349	2,014
Bruce	Lib.	John W. Sinclair	10,100	3,387
Carleton	Con.	†Adam Holland Acres	6,842	1,545
Cochrane North	Lib.	Joseph A. Habel	5,304	1,981
Cochrane South	Lib.	John Rowlandson	8,183	3,061
Dufferin-Simcoe	Lib.	Wilfred Davy Smith	8,393	1,126
Durham	Lib.	†William John Bragg	6,232	268
Elgin	Lib.	Mitchell Frederick Hepburn	11,922	2,772
Essex North	Lib.	Adelard Charles Trottier	7,459	3,030
Essex South	Lib.	Lambert Peter Wigle	7,110	1,423

Constituency	Politics	Candidates Elected	Votes Polled	Majority
Fort William	Lib.	Joseph Edmund Crawford	9,100	3,725
Glengarry	Lib.	†James Alexander Sangster	6,391	2,398
Grenville-Dundas	Con.	†George Holmes Challies	8,859	1,302
Grey North	Lib.-Prog.	†James David Taylor*	9,770	3,396
Grey South	U.F.O.	†Farquhar R. Oliver	8,301	2,689
Haldimand-Norfolk	Lib.	Richard Samuel Colter	12,164	2,771
Halton	Lib.	†Thomas A. Blakelock	6,929	1,301
Hamilton Centre	Lib.	William Frederick Schwenger	11,250	3,222
Hamilton East	C.C.F.	Samuel Lawrence	10,458	3,245
Hamilton-Wentworth	Lib.	Thomas Baker McQuesten	11,127	4,284
Hastings East	Con.	†James F. Hill	6,257	418
Hastings West	Lib.	James Albert Faulkner	9,627	1,179
Huron	Lib.	James Ballantyne	8,254	2,281
Huron-Bruce	Lib.	†Charles A. Robertson	9,591	4,602
Kenora	Lib.-Lab.	†Earl Hutchinson*	5,877	2,337
Kent East	Lib.-Prog.	†Douglas Munro Campbell	8,399	4,064
Kent West	Lib.	Arthur St. Clair Gordon	11,016	4,879
Kingston	Con.	†Thomas Ashmore Kidd	7,634	1,109
Lambton East	Lib.	Milton Duncan McVicar	7,835	2,406
Lambton West	Lib.	William Guthrie	7,473	2,307
Lanark	Con.	†John Alexander Craig	8,468	737
Leeds	Lib.	George Taylor Fulford	10,195	1,242
Lincoln	Lib.	Frederick Harold Avery	12,924	1,436
London	Lib.	Archibald Stuart Duncan	16,442	3,119
Middlesex North	Lib.	John W. Freeborn	7,753	1,345
Middlesex South	Lib.	Charles Maitland Macfie	8,239	2,821
Muskoka-Ontario	Lib.-Prog.	J. Francis Kelly	10,590	2,554
Niagara-Falls	Lib.	William L. Houck	9,096	3,982
Nipissing	Lib.	Theodore Legault	12,149	6,111
Northumberland	Lib.	Harold Norman Carr	9,087	876
Ontario	Lib.	†William E. N. Sinclair	11,409	5,046
Ottawa East	Lib.	Paul Leduc	10,314	3,039
Ottawa South	Con.	†Arthur Ellis	16,983	246
Oxford	Lib.	Patrick Michael Dewan	11,767	2,472
Parry Sound	Lib.	Milton T. Armstrong	7,199	2,940
Peel	Lib.	Duncan Marshall	7,960	244
Perth	Lib.	William Angus Dickson	16,371	5,560
Peterborough	Con.	†Thomas Percival Lancaster	9,394	34
Port Arthur	Lib.	Charles Winnans Cox	7,514	3,228
Prescott	Lib.	Aurelien Belanger	5,004	228
Prince Edward-Lennox	Lib.	Thomas Gilmore Bowerman	7,866	650
Rainy River	Lib.	Randolph George Croome	4,725	2,528
Renfrew North	Lib.	John Courtland Bradley	7,770	2,772
Renfrew South	Lib.	†Thomas Patrick Murray	8,406	3,915
Russell	Lib.	Arthur DesRosiers	6,381	2,971
Sault Ste Marie	Lib.	Augustus Duncan Roberts	7,530	1,811
Simcoe Centre	Lib.	†Leonard J. Simpson	9,004	3,622
Simcoe East	Lib.	Garnet E. Tanner	9,327	2,334
Stormont	Lib.	Fergus Beck Brownridge	9,430	3,905
Sudbury	Lib.	Edmund Anthony Lapierre	10,516	1,604
Temiskaming	Lib.	William G. Nixon	5,573	2,300
Toronto—				
Beaches	Con.	†Thomas A. Murphy	7,822	2,876
Bellwoods	Lib.	Arthur Wentworth Roebuck	9,339	3,973
Bracondale	Con.	†Arthur Russell Nesbitt	6,452	289
Dovercourt	Con.	William Duckworth	9,266	410
Eglinton	Lib.	Harold J. Kirby	12,556	1,661
High Park	Con.	†William A. Baird	8,934	993
Parkdale	Con.	†William Herbert Price	10,087	212
Riverdale	Lib.	Robert A. Allen	10,898	535
St. Andrew	Lib.	John J. Glass	6,055	1,371
St. David	Con.	†Wilfrid Heighington	6,751	1,095
St. George	Lib.	Ian Thompson Strachan	8,296	426
St. Patrick	Lib.	F. Fraser Hunter	5,704	18
Woodbine	Con.	Goldwin Corlett Elgie	9,334	2,190
Victoria	Lib.	†William Newman	10,629	2,647
Waterloo North	Lib.	Nicholas Asmussen	11,827	6,241
Waterloo South	Lib.	†Norman O. Hipel	8,860	2,337
Welland	Lib.	Edward James Anderson	10,386	4,164
Wellington North	Lib.	†George Alexander McQuibban	10,209	5,017
Wellington South	Lib.	†D. Paul Munro‡	10,376	3,561
Wentworth	Lib.	George Henry Bethune	6,272	119
Windsor-Sandwich	Lib.	James Howard Clark	9,934	3,953
Windsor-Walkerville	Lib.	David A. Croll	10,104	5,324
York East	Con.	†George Stewart Henry	12,815	2,741
York North	Lib.	Morgan Baker	11,402	3,489
York South	Con.	†Leopold Macaulay	10,159	980
York West	Lib.	William J. Gardhouse	11,600	2,119

†Former Member.
*Resigned. (See By-Elections).
‡Died on July 2, 1934 (See By-Election).

Three Provincial By-Elections were held in August, 1934: in Grey North (Aug. 13 and 20) where the appointment of the sitting Member, D. J. Taylor, as Deputy Minister of Game and Fisheries had created a vacancy; in Kenora (Aug. 7) which Earl Hutchinson had relinquished in favour of the Hon. Peter Heenan who had joined Mr. Hepburn's Cabinet; and in South Wellington (Aug. 13 and 20) which had been left vacant by the death from an automobile accident of D. Paul Munro, the successful candidate on June 19. The campaigns in Grey North and South Wellington were followed with considerable interest as it was expected that the results would throw some light on the reaction of the Ontario electorate to the policies adopted by the Hepburn Government. In both ridings the Government were given substantial endorsement. In Grey North, Roland Patterson (Liberal-Progressive) polled 7,564 votes as against 4,540 for E. Newton Cooper (Independent Conservative) and 1,094 for Victor M. Christie (C.C.F. candidate). In Wellington South, Dr. James H. King (Liberal) polled 10,056 votes and R. Beverley Robson (Conservative), 3,904. In Kenora, Mr. Heenan won the seat by acclamation.

The Conservative Leader. Rumblings of dissatisfaction against the existing leadership of the Conservative Party were heard from time to time after the General Election. At a meeting of the Toronto Junior Conservative Association at the Royal York Hotel on Oct. 25 Wilfrid Heighington, K.C., Member for St. David, during an address to the members on Party policy, threatened that, unless the resignations of "certain master-minders" of the Party were immediately forthcoming, he would "expose" them on the floor of the House in the new Legislature (*The Mail and Empire*, Oct. 26, 1934). Subsequently, Karl K. Homuth, former Member for South Waterloo, addressed an open letter to Mr. Henry asking him to resign from office. Mr. Henry, however, stated that he would "take no notice of any self-appointed clique of king-makers" (*The Toronto Daily Star*, Oct. 31, 1934) and added that if his friends wished a change they should call a convention in the regular manner. A meeting of Conservative Members of the Legislature met in Toronto in the middle of November, 1934, and confirmed the existing leadership of the former Prime Minister to the extent that he was to lead the Party in the House at the forthcoming Session (1935).

A statement that the Government auditors had discovered accounts covering the servicing by the Government garage of Mr. Henry's private automobile amounting to over $3,000 was made by Mr. Hepburn, who added that a bill had been sent to the previous Prime Minister, and a cheque received covering the sum. The following week-end Mr. Henry made a statement denying any impropriety, asserting that since the *régime* of Sir James Whitney, Cabinet Ministers had been entitled to receive up to $1,000 a year for travelling expenses, and that as his family automobile had been extensively used on Government business, he had *in lieu* of taking this sum permitted his automobile to be repaired and serviced at the Government garage. *The Mail and Empire*, commenting (on Oct. 29) on Mr. Henry's statement, said: "It would seem that the ex-Premier has left himself open to the accusation of being indiscreet rather than to a charge of wrong-doing. Every man in public life should remember St. Paul's advice to avoid even the appearance of evil. The garage charges are a proof of loose and careless business methods. The bill should never have been run. Or it should have been met out of the annual allowance for expenses which Mr. Henry never bothered to draw, and should have drawn, just to keep the record clear and above suspicion."

The Liberal Administration: Mr. Hepburn as Prime Minister

The first six months of the Hepburn Government saw the institution of many changes in the administration of the Province, the greater number of which were in redemption of their pre-Election pledge to put into effect policies which would produce substantial savings in the Public Services. In addition, a number of investigations were set in motion by the new Administration, the most important one being the Inquiry into the circumstances surrounding the purchase of the bonds of the Ontario Power Service Corporation (see else-

where in this Section for the Report and also *The Canadian Annual Review, 1933*). Mr. Hepburn had duly acknowledged the offer made by Mr. Henry immediately after the publication of the Election results, to expedite the process of handing over the reins of Government. It was not, however, until three weeks later, on July 10, that he and his nine colleagues were sworn into office. In the *interregnum* Mr. Hepburn gave several interviews to the Press. In the course of one, two days after the Election, he suggested, as a measure of Provincial economy, the resignation of the Lieutenant-Governor (Hon. Herbert Alexander Bruce, M.D.). Dr. Bruce, however, continued in office and, as the personal representative of His Majesty, declined to discuss the suggestion. Another statement of policy, which already had been voiced during the Election campaign, was, that, with few exceptions, the appointments made by the Henry Government during their final term in office would be cancelled. On June 25 Mr. Hepburn went to Ottawa where he had an interview with the Dominion Liberal Leader, Mr. Mackenzie King. Shortly afterwards he took a brief holiday.

In the meantime, the Hon. Peter Heenan, Member of the House of Commons for Kenora-Rainy River and a former Minister of Labour (1926-1930), in the Mackenzie King Government, had been persuaded to resign from the Commons and enter Mr. Hepburn's Cabinet. In order to provide a seat for Mr. Heenan, Earl Hutchinson, Member for the Provincial riding of Kenora, resigned. A vote was not required, however, Mr. Heenan being returned by acclamation. Subsequently Mr. Hutchinson was made Vice-Chairman of the Workmen's Compensation Board. It was rumoured, at the same time, that the Hon. W. D. Euler, another Member of the former Administration of Mr. Mackenzie King, would also enter the Provincial field, the post mentioned being that of Commissioner of the Hydro-Electric Power Commission of Ontario, as an associate of T. Stewart Lyon (a Director and a former Editor of *The Globe*). Mr. Euler elected, however, to stay in the Dominion sphere and Mr. Lyon was later made Chairman of the Commission. During this period the appointment of Edmond G. Odette, a former Member of the House of Commons for Essex East, as a one-man Commission to replace the Ontario Liquor Control Board, was revealed. Mr. Hepburn returned from his holiday on July 9 and on the following day the new Cabinet Ministers were sworn in by His Honour the Lieutenant-Governor; as announced, the personnel of the Cabinet was as follows:

Prime Minister, President of the Executive Council and Provincial Treasurer	The Hon. Mitchell Frederick Hepburn
Secretary and Registrar	The Hon. Harry Corwin Nixon
Minister of Lands and Forests	The Hon. Peter Heenan
Minister of Agriculture	The Hon. Duncan McLean Marshall
Attorney-General and Minister of Labour	The Hon. Arthur Wentworth Roebuck, K.C.
Minister of Education	The Hon. Leonard Jennett Simpson, M.B.
Minister of Public Works and Highways	The Hon. Thomas Baker McQuesten, B.A., LL.B.
Minister of Health	The Hon. James Albert Faulkner, B.A., M.D., C.M.
Minister of Mines	The Hon. Paul Leduc, B.A., LL.M.
Minister of Public Welfare	The Hon. David Arnold Croll, LL.B.

Mr. Hepburn, with the largest majority in the Ontario Legislature ever held by any Liberal leader, was the youngest Prime Minister to hold office in Ontario, being within two months of 38 years of age. His political career had been, up to the time of his election, a spectacular one. He had won the West Elgin seat for the House of Commons in 1926, capturing it from the Conservatives who had held it for 25 years. In contesting the seat again in 1930 he won with an increased vote and in the same year became Leader of the Liberal Party of Ontario. By occupation, he was a farmer, his home being near St. Thomas where, on July 19, a month after the General Election, a mammoth celebration was held in his honour, the crowd assembled in Pinafore Park to welcome him being estimated at 50,000.

The Secretary and Registrar (Mr. Nixon) had led the Progressive group during the previous Legislature, having been elected in 1919 to represent Brant County. During the Drury Administration of 1919-23, he had held the same portfolios as were assigned to him by Mr. Hepburn. The Minister of Lands and Forests (Mr. Heenan) had previously been a Member of the Ontario Legislature (1919-25) but had resigned in order to accept nomination

for the House of Commons a year before he entered the Mackenzie King Ministry as Minister of Labour. At Geneva in 1928 he had represented Canada at the International Labour Conference. Mr. Marshall was another agriculturist in the Liberal Cabinet. He had been, from 1905 to 1909, Manager of *The Daily Bulletin* of Edmonton, Alta., and had held the portfolio of Agriculture in the Rutherford, Sifton and Stewart Administrations of Alberta during 1909-21. Mr. Roebuck (Attorney General), Toronto barrister, had acted as Counsel for the Ontario Government on several important cases. He had run as candidate for Temiskaming in 1911 and 1914 in Ontario and, in 1917, as candidate in the Dominion field. He had had wide journalistic experience, having been a member of the editorial staff of *The Toronto Daily Star* during 1901-05, and owner and Editor of *The Temiskaming Herald and the Cobalt Citizen*, from 1905 to 1914. The Minister of Education (Dr. Simpson) was first elected to the Ontario Legislature in 1929, having suffered defeat in a previous General Election (1923). In 1924 he had become Chairman of the Board of Education of Barrie. The Minister of Public Works and Highways (Mr. McQuesten) was President of the Ontario Liberal Association, having succeeded the Hon. A. C. Hardy in November, 1932. He had been elected to the Hamilton City Council in 1913, and had unsuccessfully contested a seat in the Ontario Legislature in the General Election of 1923. Dr. Faulkner (Minister of Health) after graduating from McGill University in 1904 and spending an interneship at the Royal Victoria Hospital, Montreal, had practised his profession at Foxboro before settling in Belleville. Mr. Leduc (Minister of Mines) entered the political arena for the first time. Practising in Ottawa as a member of the Ontario Bar since 1916, he had been first called to the Quebec Bar in 1911. Mr. Croll (Minister of Public Welfare) was born in Moscow, Russia, in 1900 and came to Canada at an early age. He was a barrister of Windsor and had been elected Mayor of that City, 1930-34. When a Department of Municipal Affairs was created on Aug. 8, Mr. Croll also assumed that portfolio.

The first items of economy to be put into force concerned the new Cabinet. It was announced that there would be a reduction in the salaries of the Ministers, including the Prime Minister, by $2,000 a year, that of the latter falling to $10,000 and those of the other members of the Cabinet, to $8,000 each; and that the Ministers would not be provided with automobiles. Those used by their predecessors in office, Mr. Hepburn stated, would be sold. Proceeds from the auction sale of Government-owned cars—87 in number—, which eventually took place on Aug. 28, at the Varsity Stadium, amounted to $33,902.

The new Government immediately proclaimed the beer and wine measure which had been put through the Legislature during the 1934 Session by the Henry Government, the Order-in-Council having been passed on July 12. Mr. Odette, the newly-appointed Liquor Commissioner, was advised to proceed with his duties. It was announced at the time, however, that considerable organization work would necessarily precede the sale of beer and wine in hotels and other legal premises. Actual beer sales began in some parts of the Province twelve days later. In answer to certain rumours Mr. Hepburn definitely stated, on Aug. 27, that there would be no beer and wine referendum held in the Province. Every municipality, he stated, would have the power to vote itself "wet" or "dry". A new policy with regard to beer profits was made public two months later (Oct. 29) by the Prime Minister: municipalities in future were to get 20 per cent. of the revenue derived from "authority" fees and from Government profits on beer sold within their boundaries. Beverage rooms in the Province were to close at 11 p.m. in the future, he also stated. Objection to the sharing of beer profits was immediately voiced by the Mayor of Toronto (W. J. Stewart) who said that the City did not want to be a partner in the sales (*The Mail and Empire*). When official notification arrived, however, Mr. Stewart voted in favour of acceptance.

During the last week in July (1934) Mr. Hepburn had discussed with the Dominion authorities relief matters for Ontario. He again conferred with them on Aug. 20 on the same question. On the eve of his departure for Ot-

tawa on the first occasion, he had announced certain Government financing: short-term notes, he stated, had been renewed at a rate of 3.58 per cent. which he described as a new low rate in the history of the Province. On Aug. 25 he proclaimed the sale of an issue of $47,500,000 in Government bonds bearing interest at coupon rate of 2½ per cent. and yielding 2.97 per cent., the maturities ranging from one to five years. The public issue would amount, Mr. Hepburn stated, to $37,500,000, the remainder being sold direct. This was declared at the time to be a new low rate for a Canadian loan.

A short time off from Provincial affairs was taken by the Ontario Prime Minister during the campaign preceding the five Federal By-Elections of September, when he addressed meetings on behalf of the Liberal candidates in Toronto East and Elgin West. During the newsprint crisis in October, precipitated by the renewal of contracts by one of the leading Quebec paper companies for 1935 at the old price of $40 a ton, in the face of efforts on the part of the industry as a whole to raise the figure to a level which would permit the industry to pay better wages and to operate without loss, Mr. Hepburn was associated with the Prime Minister of Quebec (Hon. L. A. Taschereau), in sympathetic support of the industry's efforts.

The attention of the new Government of Ontario had been directed during their first week in office to the Hydro-Electric Power Commission of Ontario. The immediate retirements of F. A. Gaby, Chief Engineer, and of I. B. Lucas, K.C., General Solicitor, were ordered, while 48 other officials who were in receipt of $5,000 a year or more had their contracts terminated but were given an opportunity of continuing in their former respective positions "at such salary and under such conditions as may be hereafter determined by the Board in its discretion." (*The Mail and Empire*, July 13). On the same day the resignation of Mr. Stewart Lyon from the Directorate of *The Globe*, which had been presented as soon as his appointment to the Commission had been approved, was accepted. Mr. W. G. Jaffray (President of *The Globe*), in expressing deep regret that such a step was necessary, stated: "It is his own idea, as well as that of the Government, that he should not sit on any Board of Directors while he holds such a position." Previously to Mr. Lyon's appointment, the Government had accepted the resignations of Mr. Cooke (Chairman) and Mr. Maguire from the Commission. (Senator Meighen's resignation had occurred on Apr. 30). Some weeks later (Aug. 13) the Province was shocked by the death of Mr. Cooke, following a motor accident. Mr. Roebuck and Mr. McQuesten were appointed Commissioners on July 11, to serve without remuneration. Another important addition to the great public utility, but one that was not made until Nov. 20, was that of A. Murray McCrimmon as Comptroller. Mr. McCrimmon was to be an operating critic, with the duty of checking all estimates or budgets of expenditure, as well as of supervising all purchases of equipment, materials and supplies. With the announcement of Mr. McCrimmon's appointment, a statement was made by the Government that the policy to be inaugurated meant a turn from the "construction" and "heavy spending" era to a "commercial" or new sales period. Cessation of work was ordered on the projected seventeen-storey Commission offices in Toronto; subsequently, it was continued on a building only six storeys in height, at a cost of $1,150,000 instead of $1,900,000, as originally planned. Two incidents connected with the Commission's affairs and which aroused some discussion, occurred in October. The first was the alleged finding by Mr. Lyon in the Commission's office files of certain detective reports of inquiries, the principal object of which, according to a statement by Mr. Lyon, had been "to determine whether or not moneys were being contributed to the Liberal Party in connection with the Election campaign, then or shortly thereafter in progress, by private electrical interests in the United States or in Canada, with the purpose of carrying on a campaign against the Conservative Party and the Hydro-Electric Commission." Mr. Lyon stated that action was being entered against the two former Commissioners: Senator Meighen and Mr. Maguire, together with the former Chief Engineer, Mr. Gaby, and the former General Solicitor, Mr. Lucas, to recover $4,300 expended, on the authority of the Commission, upon the detective reports in question,

part of the alleged purpose of which was to secure evidence which could be used against the Liberal Party. Mr. Maguire, advised by *The Globe* of these charges, termed "the whole thing" absurd and asserted that any action that had been taken by the Commission was "fully justified." The other incident was provoked by the dismissal from office, as the Ontario Hydro-Electric Commission representative on the Ottawa Hydro-Electric Commission, of Mr. P. D. Ross, newspaper publisher of Ottawa, and the appointment in his place of Dr. Rufus H. Parent, President of the East Ottawa Liberal Association (Oct. 16). Protests against the action flowed in from various sources, including the West Ottawa Liberal Association, and correspondence between Mr. Lyon and Mr. Ross was published. Subsequently an exchange of statements occurred between Mr. Hepburn and Mr. Ross, in which the former termed Mr. Ross a "bitter Tory partisan" and the Ottawa publisher retorted in equally warm language.

One of the first claims to the attention of the Hon. Arthur W. Roebuck, in his capacity as Attorney-General, was the question of the granting of a permit to a crowd of "hunger marchers" who intended to proceed to Toronto from outlying districts in order to interview the Government. The incident resulted in a clash between the Attorney-General and the Mayor of Toronto (W. J. Stewart). Mr. Roebuck was prepared to afford the marchers every courtesy and Mr. Stewart was opposed to the granting of a permit. One repercussion of the incident was the dismissal by the Hepburn Government of the two Government appointees on the Toronto Police Commission: J. R. L. Starr, K.C., and His Honour James Parker, Judge of the County Court of York, and in their place the appointment of Frank Denton, K.C., and His Honour W. T. J. Lee, also a Judge of the York County Court. A month later at Oakville (Aug. 12) Mr. Roebuck gave the details of a proposed reduction in the Provincial Police Force. The change involved the dismissal of 54 traffic officers and constables—the number appointed subsequent to October, 1933—; the abolition of the positions of 13 special constables; and the withdrawal of the Royal Canadian Mounted Police then stationed at Port Arthur at the Province's expense: the annual saving was estimated to be $169,400 (*The Globe*, Aug. 15, 1934). The following day the Attorney-General described in a statement an important change in the magisterial system of the Province. The number of Magistrates was reduced from 147 to 48, and a drastic cut in the number of Justices of the Peace was also indicated. The Magistrates retained were to be paid a reasonable salary, and were not to carry on other business: "Magistrates," said Mr. Roebuck, "will do nothing but try cases. . . . Justices of the Peace will not try any indictable offence or any other case, except simple cases under municipal by-laws, and then only when required and directed so to do by the senior Magistrate." (*The Toronto Daily Star*, Aug. 17). On Nov. 8, T. D. Bell, Chief Parole Officer for Ontario, was dismissed from office, and it was announced that his successor would be Charles F. Swayze, Mayor of Niagara Falls.

The dismissal from office of Lieut.-Col. George A. Drew, Ontario Securities Commissioner, on Oct. 1 was preceded by an exchange of statements between the Commissioner and the Attorney-General (Mr. Roebuck), in which Colonel Drew alleged that his letters to Mr. Roebuck had been unanswered, that some of his files had been sent for and important data taken without his knowledge or consent, and that "calculated discourtesy" had been shown toward him. In reply, Mr. Roebuck denied any knowledge of the missing letters, describing the allegation as a "slur as ungentlemanly as it is unjust" (*The Mail and Empire*, Oct. 1). Colonel Drew, in a lengthy statement to the Press, declared that the Attorney-General had called for his resignation two weeks earlier, but that he had not received it, because "the Ontario Securities Commission is an independent body, and not a branch of his Department." Following his dismissal, Colonel Drew alleged that the Attorney-General had called for his resignation shortly after he had refused to obey his request to reconsider the application of a securities salesman, with an alleged record of 12 criminal convictions, for another licence under the Ontario Act. (*The Mail and Empire*, Oct. 2, 1934). The Attorney-Gen-

eral promptly denied the allegation, and so did the lawyer who had been acting for the salesman (*The Globe*, Oct. 2). Following the dismissal of Colonel Drew, I. A. Humphries (the Deputy Attorney-General) was ordered to act in his place. This arrangement, however, was replaced by the appointment shortly afterwards of John M. Godfrey, K.C., as Commissioner, to succeed Colonel Drew. The latter, who continued after his dismissal to make charges against the Attorney-General, on Oct. 15 alleged that Mr. Roebuck had "had his own brother-in-law, Donald Harrison Walkinshaw, appointed as Chairman of the Advisory Board (in the Department of Insurance) in spite of the fact that the private company of which Mr. Walkinshaw was President and General Manager had had its insurance licence suspended for cause in 1930. At that time serious shortages in trust funds received for the payment of premiums on insurance policies were disclosed." Denials of this charge were immediately forthcoming from Mr. Walkinshaw, R. Leighton Foster, Superintendent of Insurance, and others, Mr. Foster stating that he personally accepted full responsibility for the appointment of Mr. Walkinshaw. The latter, moreover, instituted a suit against Colonel Drew, alleging libel. On Nov. 2, Colonel Drew secured an order from the Master-in-Chambers at Osgoode Hall (Irwin H. Hilliard, K.C.) for the filing by the plaintiff of statement of claim by Nov. 10, 1934.

In the reorganization of the Department of Labour, A. W. Crawford was transferred from the post of Deputy Minister to the Chairmanship of the Minimum Wage Board, James F. Marsh, organizer of the United Brotherhood of Carpenters and Joiners of America, was appointed in Mr. Crawford's place and H. G. Fester was retired from the Minimum Wage Board. Mr. Roebuck (Minister of Labour) announced that Mr. Marsh would be entrusted with the framing of laws for industrial standards and hours, and a minimum wage law for men. (*The Evening Telegram*, Aug. 23, 1934). Another important statement of the Minister of Labour (Sept. 4) was to the effect that he had invited all the Provinces of Canada to co-operate with Ontario in the creation of a national code for industry, which would probably include a national flexible minimum wage, applying to both men and women. On Oct. 30 the replacement of two of the three Commissioners of the Workmen's Compensation Board at lower salaries was announced; also the reduction of the salary of the remaining member by $4,000. The former Chairman, V. A. Sinclair, K.C., was replaced by George Wilkie, K.C., and the Vice-Chairman, H. J. Halford, by Earl Hutchinson, former (Lib.-Lab.) Member of the Legislature for Kenora. George A. Kingston was retained at a salary of $6,000 a year as compared with a former remuneration of $10,000.

The carrying of the economy campaign into the Department of Lands and Forests resulted in the immediate dismissal of 166 employees of the outside service and an annual saving of $300,000 a year. As timber operators had previously assured the Government that they would employ at least 10,000 men during the Winter of 1934-35 Mr. Hepburn declared on Sept. 11 a 50 per cent. reduction in Crown timber dues and bonuses, with a stipulation that the timber should be turned into lumber in Ontario, and that all operators in the industry should pay fair wages; should make only reasonable charges to their workmen for supplies; and should live up to the rigid camp requirements in health and sanitation prescribed by the Department of Health. (*The Mail and Empire*, Sept. 11, 1934). After taking office the Minister (Mr. Heenan) conducted a number of negotiations with the Federal Government in an effort to secure financial assistance toward a $16,000,000 road-building programme in Northern Ontario. It was understood at one stage that the Federal Government would assist in the construction of the Trans-Canada Highway between White River and Schreiber but, later, allegedly because they had not been supplied with satisfactory information about the route, the Federal Government withdrew this offer.

The Minister of Public Welfare and Municipal Affairs (Mr. Croll), on Aug. 10 announced a new relief plan for the Province. He described it as being an interim policy until such time as national unemployment and national building schemes could be inaugurated: "The system will be rationalized, doing

away with inequalities, and making it optional with each municipality as to whether food vouchers and rent orders shall be replaced with cash relief. Where cash relief is given, the recipient, if able-bodied, must return work for it at the prevailing rate of wages for skilled or unskilled labour in the district. In brief, the policy will be, 'relief to workers, nothing to shirkers'." On Sept. 26, explaining an important amendment in relief regulations, Mr. Croll declared that there would be "no more relief shoppers in Ontario." The Government had decided, he stated, "to extend the residence regulations governing eligibility for relief in a municipality from the three months, which it has been, to one year"—to check the dumping of families from municipalities with low standards of unemployment relief into municipalities with higher standards—"This does not stop the free movement of people . . . . but the municipality from which they came after the cut-off date, Sept. 1 of this year, will be liable for the cost of assistance for one year from the date of arrival of the applicants in the municipality to which they have moved." Speaking on Oct. 25 of the drastic reorganization of the Old Age Pensions system which was to take place, Mr. Croll stated that it was calculated to save the Province $30,000 a year and the municipalities from $70,000 to $80,000. It included the abolition of the Provincial inspection system, except for about three inspectors, the abolition of local boards in all counties and separated towns and cities under 70,000 population, and the turning over of application and approval duties to township and municipal clerks, and to judges or magistrates (*The Mail and Empire*, Oct. 26). Foreshadowing other changes of policy in respect of relief, Mr. Croll issued, on Nov. 1, a statement in reply to the demands of the "hunger marchers" who had visited him in July, in which he pledged the Ontario Government to independent action in respect of unemployment insurance, if the Dominion Government failed to act; he forecast a slum-clearance scheme in the next Provincial public works programme and promised new legislation in respect of evictions and the housing of the unemployed. A few days later the Prime Minister announced that municipalities would be relieved of the obligation of paying 20 per cent. toward Provincial highways costs.

During this same month (Nov. 20) an address by M. A. Sorsoleil, Deputy Minister of Public Welfare, before the Toronto West Centre Presbytery of the United Church, in which he asserted, among other things, that contraceptives were being offered for sale to Ontario school children in some areas just outside the school gates, created a storm of controversy, and for a time led to the suspension of the Deputy Minister. Dr. George A. Little, Editor of Sunday School Publications for the United Church, who had been present at Mr. Sorsoleil's address, added fuel to the fire by daring "A Border-City Jew (Hon. David Croll) to dismiss a life-long Christian worker like Mr. Sorsoleil for trying to reduce the number of children born out of wedlock in Ontario" (*The Mail and Empire*, Nov. 22). This injection of a religious issue was deplored and repudiated by the Moderator of the United Church (Dr. Richard Roberts) and Mr. Little subsequently apologized for the remark. After hearing Mr. Sorsoleil's report of the meeting, the Government reinstated him.

In the Department of Health the economy rule was also observed: seven district officers were dismissed; so also, was the Director of Dental Services for the Province, Dr. F. J. Conboy, the work of his office being transferred to the Division of Child Hygiene. Archibald L. McPherson, Inspector of Hospitals and Sanatoria, and his assistant, resigned, and C. J. Telfer took the place of both. On Nov. 26 the appointment of a Cancer Commission was announced by the Minister of Health, with the statement that no more radium would be purchased until a report had been received on the existing clinics and their organization. It was announced on Dec. 12, 1934, by the Minister of Health (the Hon. J. A. Faulkner, M.D.) that the first permanent rural "health unit" had been established in the Counties of Stormont, Glengarry, Prescott and Russell, and a grant of $33,000 over a five-year period made toward the project by the International Health Division of the Rockefeller Foundation.

In accepting the portfolio of Education Dr. Simpson was assured of the able assistance of Mr. Duncan McArthur, M.A., who had resigned as Professor of History at Queen's University in order to accept the office of Deputy Minister in succession to Dr. A. H. U. Colquhoun, who had been superannuated after 28 years of service. An office was created in the Department by the appointment of Dr. George F. Rogers, who had retired as Chief Director of Education, to the post of Chief Inspector of Secondary Schools, the Deputy Minister stating at the time that Dr. Rogers would supervise the examination standards maintained by the various schools in the Province (*The Globe*, Oct. 17). Mr. McArthur, some time before, had indicated, in an address at a luncheon of the Directors of the Canadian National Exhibition at Toronto, a possible change in the Provincial examination system. "It would seem desirable", he said, "that the present system of recommendation should be extended as far as may be consistent with the maintenance of proper standards." Before the end of the year the new Minister of Education announced that the second year normal school course would be definitely abolished, and that the whole question of teacher-training would be reconsidered.

The new Government's economy drive produced certain drastic changes in the Department of Agriculture. Ontario House in London was closed and W. C. Noxon, Agent-General, dismissed. No Government exhibits were shown at the Provincial Autumn fairs—nor were they at the Canadian National Exhibition at Toronto. "We will not spend any money this year in exhibiting," Mr. Hepburn announced, "it costs too much money and I am out to save every dollar that can be saved without injury to any branch of the Government work." Other dismissals in the Department of Agriculture besides Mr. Noxon's—there were 42 in all, at an estimated saving, annually, of $75,000—were those of George A. Elliot, Director of Colonization; H. Craig, Chief Clerk; and W. Bert Roadhouse, Chairman of the Agricultural Development Board. J. B. Fairbairn Deputy Minister, became acting Chairman of the Board in the meantime. Later in the year (Nov. 16) the Government announced that in order to take care of such cases as that of Mr. Roadhouse, who was dismissed before he could benefit from its provisions, the Civil Service Superannuation system would be extended. During October the Ontario Marketing Board and the Crops and Markets Branch of the Department were replaced by a Marketing Commission with W. B. Somerset, former Chairman of the Marketing Board, as Commissioner. R. W. Wade, Director of the Live Stock Branch, was superannuated and L. E. O'Neil, Assistant Director, was advanced to the office of Director, assuming the duties of both positions at a small increase in salary. Changes in the agricultural loan policy were forecast by Mr. Marshall (Minister) during the same month (October).

There were other changes in the Public Services during the new Government's first six months in office. On July 23, Dr. J. M. McCutcheon, Civil Service Commissioner, was dismissed, and Charles J. Foster, former Secretary to Mr. Henry, was empowered to act in Dr. McCutcheon's place, without salary; in view of the other increases in Mr. Foster's duties, however, Mr. Hepburn announced that his salary would be increased by not more than $1,000. On Aug. 23 an Order-in-Council was passed dismissing 106 members from the "outside" enforcement service of the Department of Game and Fisheries; the resultant saving was expected to be between $150,000 and $200,000 annually (*The Globe*). On this same day the Deputy Minister of Public Works (George W. Hogarth) and six others in the Department were dismissed Chester S. Walters replacing Mr. Hogarth. Two weeks earlier (on the 8th) Mr. Hepburn had announced that the Government were retiring from the motion picture business and that the $700,000 plant at Trenton would be closed. Joseph B. Hardwicke was appointed Chairman of the Board of Motion Picture Censors, in place of J. C. Boylen; T. E. Bowman was appointed King's Printer, succeeding H. H. Ball; Robert A. Campbell replaced C. H. Fullerton as Deputy Minister of Northern Development; Frederick Noad became Deputy Minister of Forestry, a position formerly occupied by E. J. Zavitz; Horace Wallis, Deputy Minister in the Prime Minister's Office, re-

tired on superannuation allowance; and Herbert Leopold Cummings, became Deputy Minister of the new Department of Municipal Affairs.

A new Niagara Parks Commission included the Hon. T. B. McQuesten (Chairman); Dr. George Snyder, Niagara Falls; F. W. Beard, St. Catharines; Robert Cooper, Welland; Ross Harstone, Hamilton; A. T. Whitaker, Brantford; and W. L. Houck, M.L.A., Chippawa. A new Commission for the T. and N.O. Railway was composed of Colonel Malcolm Lang (Chairman), Arthur G. Slaght, and Armand Racine.

Early in December the Government announced that they would introduce legislation during the first Session of the new Legislature to amalgamate the four Border Cities into one municipality. Previous to the Prime Minister's departure for a month's holidays in the West Indies during which Mr. Nixon was acting Prime Minister, a caucus of Liberal Members elected (Nov. 28) Harold Kirby (Toronto Eglinton) as Party Whip.

Inquiries by the Hepburn Government: The Purchase of The O.P.S. Bonds

During their first six months in office (July-December, 1934) the Hepburn Administration appointed several Royal Commissions to inquire into certain aspects of the Public Services of the Province. The purchase by the Henry Government in March, 1933, of the subsidiary company of the Abitibi Power and Paper Company and the ownership at the time of some of the Company's bonds both by the Hon. George S. Henry and the Rt. Hon. Arthur Meighen, then one of the Members of the Hydro-Electric Power Commission of Ontario, were two items of investigation undertaken by the Royal Commission appointed on July 12, two days after the swearing in of the new Cabinet. Other Commissions inquired into the affairs of the T. and N.O. Railway, the Niagara Parks Commission, the Government Air Services, the Liquor Control Board, the balloting in St. Patrick's riding on June 19, 1934, and the Ontario Athletic Association (Reports of the O.A.A. and the L.C.B. not issued at Dec. 31, 1934).

The Hon. F. R. Latchford, Chief Justice of the Supreme Court of Ontario, and the Hon. Robert Smith, retired Justice of the Supreme Court of Canada, were the Commissioners appointed to "inquire into the purchase of the bonds of the Ontario Power Service Corporation by the Hydro-Electric Power Commission of Ontario and the Government of Ontario, and the payment therefor in the bonds of the Hydro-Electric Power Commission of Ontario, and all circumstances connected therewith." It had previously been announced from Ottawa that the Rt. Hon. Sir Lyman P. Duff, Chief Justice of the Supreme Court of Canada, would investigate the connection of Senator Meighen with the same transaction, but upon the announcement of the Ontario Inquiry it was decided not to proceed with the other. The Latchford-Smith Commission commenced hearings on July 18, and sat at intervals until Aug. 23. The Inquiry attracted a great deal of attention, especially as such prominent public figures as Mr. Henry and Senator Meighen were on the witness stand for a considerable time. Eminent counsel, including Arthur G. Slaght, J. C. McRuer, W. N. Tilley and Strachan Johnson, figured in the investigation, which was featured by a number of warm exchanges between witnesses and counsel.

The Report of the Commission was released to the Press on Oct. 26. It criticized both Mr. Henry and Senator Meighen for their failure to reveal their personal interest in the bonds of the Ontario Power Service Corporation at the time when it was decided to offer to exchange $18,000,000 in bonds of the Hydro-Electric Power Commission of Ontario for $20,000,000 in bonds of the former corporation.

Concerning Mr. Henry, the Report said:—"The purchase of the Ontario Power Service bonds by the Hydro-Electric Power Commission was negotiated by Mr. Henry personally on behalf of the Government. He was himself the

holder of $25,000 of these bonds, and the insurance company of which he was a Director held $200,000. He was precluded by this interest from taking part, with propriety, in the negotiations and resultant purchase. It is argued that his personal interest and the interest of his company was small in comparison with the public interest involved. The sum of $25,000 constitutes a substantial interest for an individual, and $200,000 constitutes a substantial interest for an insurance company. Having then, this interest in the transaction about to be considered, Mr. Henry should have frankly disclosed his interest to his colleagues of the Cabinet and should have asked them to relieve him of the responsibility of dealing with the matter." The Commission was unable to accept Mr. Henry's plea that he refrained from disclosing his personal interest to his colleagues because he wished to leave them untrammelled in their judgment. "The position taken is untenable," the Report stated.

Nor was the Commission able to accept Mr. Meighen's discrimination between the power of the Hydro-Electric Power Commission to act on its own authority, and its power to act in a purely formal way in order to endorse the action of the Government in a Commission transaction. Mr. Meighen, in placing the purchase of the Abitibi bonds in the latter category, sought, the Report stated, to establish that, in this, the Hydro-Electric Power Commission, with himself as a Member, was merely ratifying in *pro forma* fashion a decision which had been arrived at by the Government. The Latchford-Smith Report dissented from Mr. Meighen's viewpoint: "No such divided power can be read into the Statute . . . As a Commissioner, he had to share in a responsibility and exercise a discretion cast upon the Commission by the Statute (The Power Commission Act). He was, therefore, a party interested in making and carrying out the transaction. . . . It may be said that, in view of the circumstances, the responsibility and discretion involved was of little consequence as the transaction would have been carried out and the bonds held by Mr. Meighen and the companies he represented would have brought the same price, whether he took part as Commissioner or not, it being a practical certainty that the other two Commissioners would have carried out the transaction in just the same way without Mr. Meighen's participation. This, however, does not necessarily follow, though it may be probable."

"It was," the Report continued, "open to Mr. Meighen to have said to the other two Commissioners, the Government and the public, that he was interested, personally and on behalf of his companies, in bonds that the Government was requesting the Commission to purchase, and that, therefore, he could take no part in the recommendation or in the purchase. He failed to do this, and thus was placed in the position as a Commissioner of being buyer of these bonds and of being a seller of them in his individual capacity and as a director or manager of the companies in which he was interested."

The Report scored the deal made in April, 1930, for purchase of 100,000 h.p. from the private company (The Ontario Power Service Corporation) as "improvident" in view of the circumstances of cost and power supply, and it added that this improvidency was accentuated by the subsequent purchase of the Ontario Power Service bonds.

The T. and N.O. Railway Inquiry. An Order-in-Council was approved on Aug. 8, 1934, appointing Armand Racine of Windsor as a Commissioner to "examine and investigate the books and accounts and inquire into the operation of the Temiskaming and Northern Ontario Railway Commission, and to report thereon to the Lieutenant-Governor-in-Council along with any recommendations for economy in operation and management." The investigation was pursued throughout August and early September, concluding on Sept. 11. The principal findings of the Report which was made public on Oct. 12 were: (1) that the Abitibi-Moosonee extension was not justified, for no profitable traffic could have been anticipated; (2) that the T. and N.O. Commissioners should not have permitted the granting of construction contracts to H. F. McLean Limited, before first calling for tenders; (3) that the actual deficit of the Railway as of Oct. 31, 1933, was $9,018,211; (4) that

the Chairman and other operating heads lacked necessary qualifications; (5) that there was a general over-staffing of the Railway; and (6) that no satisfactory explanation had been offered for the payment of $29,000 to cover international "exchange" in the contract with the Weaver Coal Company. Mr. Racine further found that the Commissioners had been "lax" and "negligent in the performance of their duties" and had "permitted abuses of many kinds to occur." At no time, he said, did they know "the exact financial position of the Railway, nor did they take the proper steps to ascertain it."

The chief recommendations, which, according to the Commissioner, would result in an annual saving of over $500,000, were: (1) that members of the Commission should serve without remuneration; (2) that the Chairman, George Lee, should be retired with pension, and that a freight-soliciting department should be established with Mr. Lee to be considered as head at a salary not to exceed $2,500 a year; (3) that a general manager, not a member of the Commission, should be appointed; (4) that a survey should be made to reorganize the personnel and operation; (5) that the private car, "Whitney," should be sold or used as a business car; (6) that all passes should be cancelled on Nov. 1, except those allowed by the Railway Board; (7) that an immediate audit of the road should be made as of Oct. 31, 1934; (8) that the dismissal or retirement by pension of certain leading executives (named) should take place; (9) that all contracts should be awarded only after tenders had been properly called for; (10) that a survey of all branch lines should be made to determine if they were paying; (11) that service from Cochrane to Moosonee should be reduced to a minimum; that freight service should be operated from Cochrane to Abitibi Canyon only if and when required, and from Abitibi Canyon to Moosonee by gas motor six months of the year; (12) that James Bay Inn should be closed and either salvaged by wrecking or turned over to some charitable organization; and (13) that operation of the electric line of the Nipissing Central between New Liskeard and Cobalt should be discontinued, and that battery cars should be used on steam railway tracks to supply passenger service if necessary. (Canadian Press summary).

The Niagara Parks Commission Inquiry. Armand Racine of Windsor and H. J. Welch of Toronto were appointed by Order-in-Council on July 17, 1934, under the Public Inquiries Act to "examine and investigate the books and accounts and inquire into the work of the Niagara Parks Commission and report thereon to the Lieutenant-Governor-in-Council along with any recommendations for economy in operation and management." After a number of hearings the Commission presented its Report on Aug. 1. In a semi-official *résumé* of the findings published by *The Globe* on Aug. 7, it was stated that the "Government of the Province of Ontario diverted into the Consolidated Revenue Fund the income of the Niagara Parks Commission, derived from its riparian rights on the Niagara River and concessions in the Park, thereby forcing the Commission to exercise borrowing powers to finance development programmes which might otherwise be financed out of its own revenues."

The same Report added that "Rentals for water taken from the river forms the Commission's greatest source of revenue, and from 1925 to the end of 1933 amounted to $4,743,236." And further, that, "from Nov. 30, 1924 to Nov. 30, 1933 the Government withdrew the sum of $3,514,881. Meanwhile an extensive development programme was carried out which increased the value of lands, buildings and improvements from $2,055,089 to $4,037,893. In order to finance this improvement, despite its large reserves, the Parks Commission was forced to borrow through bonds and advances until at Nov. 30, 1933, they owed, after deducting sinking fund and depreciation reserve investments, the sum of $2,024,702."

Had the Parks Commission been permitted to retain their revenues from 1925 on, the Report was quoted as saying, it would have enabled them to pay properly to the Provincial Treasurer the sum of approximately $2,500,000, the Commission would thus have been free from indebtedness, and would not

have been obligated (as now) to pay $229,000 a year until 1937 and $150,000 a year for the subsequent ten years. The Report advocated that in future water rental payments from Queenston should be made direct to the Niagara Parks Commission only, according to the same source.

The Ontario Air Services' Inquiry. Sittings were held at Toronto and Sault Ste Marie, commencing Aug. 3, by D. W. Lang, K.C., Commissioner appointed by the Government to investigate the affairs of the Ontario Air Services. On Nov. 7 the findings were released by the Prime Minister (Mr. Hepburn). They repeatedly censured the former Air Service Director, W. Roy Maxwell, who had resigned subsequent to the opening of the investigation, but they found that the Service was well-equipped, carried on its work well, and fully justified its existence. "However," Mr. Lang reported, "through extravagance and mismanagement there has been a needless waste of the Province's money. . . . The Minister responsible for the administration of the Service should have checked the extravagance and corrected the mismanagement, as it was his duty to do." The Commissioner made a number of recommendations, including the following: (1) that control of the ground organization and the Air Service should be unified, and that the cost of the Air Service should be charged rateably to the various Forestry Districts; (2) that the territory served by towers should be gradually extended; (3) that there should be a substantial reduction of the staff; (4) that all substantial expenditures should be subject to the approval of the Minister and that all important purchases should be by tender; (5) that accountable warrants should be reduced in number and in size; (6) that written regulations should be given in regard thereto; (7) that no unrequisitioned flying should be permitted; and (8) that as "slash in the bush is one of the important fire hazards, and one that is to some extent controllable," consideration should be given to the removal of slash as an unemployment relief measure.

The Liquor "Toll-Gate" Inquiry. On Nov. 2, 1934, an Inquiry into alleged "toll-gate" activities in connection with the sale of liquor to the Ontario Liquor Commission was commenced by His Honour Judge D. C. Ross of St. Thomas, who had been appointed Commissioner for that purpose. The Inquiry was instructed to "investigate and report upon all transactions or negotiations for transactions in connection with the administration of the Liquor Control Board prior and down to the first day of January, 1934." The actual hearings began on Nov. 8. George A. Grover, former President of the Ward 4 Conservative Association, Toronto, was on the witness stand most of the opening day, testifying as to his connection with the Stirling Bonding Company of Scotland. He freely admitted having written the Stirling Company that he expected to be able to secure business for them from the Ontario Government, because he had been promised a trial order by a man who was later General Manager of the Liquor Control Board. He testified that he had paid W. G. Clysdale, former Conservative organizer for the Province, $50 a month for six months, to assist in popularizing "Gaelic Old Smuggler" brand, made by the Stirling Corporation, in Ontario, out of a fund which the latter corporation had sent him for promoting the sale of their whiskies. The former Minister of Mines (Mr. McCrea) told the Commission under what circumstances he had recommended to Sir Henry Drayton that a certain Phil Wright should be assisted by listing the whiskey, for which he had the agency, with the Liquor Control Board. Arthur Slaght, K.C., Counsel for the Commission, absolved Mr. McCrea from any suggestion that the ex-Minister had personally benefited from the transaction. "That goes without saying," commented Judge Ross (*The Mail and Empire*, Nov. 10). At a subsequent hearing Harry I. Price, ex-M.P.P. denied that any commissions had been split between him and his brother J. Ray Price, who had the agency for "Teacher's Highland Cream" in the Province. Ray Price also denied that any payments had been made to officials or members of the Liquor Control Board in his promotion of the sale of the whiskey. (Not completed at Dec. 31).

St. Patrick's Election Inquiry. On Aug. 15, 1934, I. A. Humphries, K.C., was authorized to hold an Inquiry into the circumstances surrounding the

election in St. Patrick's riding on June 19, 1934. On the night of the General Election Lieut.-Col. Fraser Hunter had been declared elected by a majority of 70. Upon a recount, which had been requested by E. J. Murphy, K.C., his opponent, the majority was substantially reduced, a large number of ballots which had been allowed for Colonel Hunter being rejected as spoiled. However, the election of Colonel Hunter was sustained, the number of votes polled for him, as allowed by the recount, being 5,704 as against 5,686 for his opponent. Mr. Humphries brought down his Report on Sept. 21 after six days of hearings in which it was established that 60 ballots which had been passed as in proper order on Election night had to be thrown out as spoiled when the recount was held, because of markings made upon them. While absolving the returning officer for the riding, John F. Gray, from ballot tampering, the Commissioner charged him with being negligent in his duties. Mr. Humphries found that he could not say who committed the crime of spoiling the 60 ballots which, he held, had been properly marked on Election day for Colonel Hunter.

Miscellaneous Incidents of 1934. The One-Hundredth Anniversary of the founding of Toronto was celebrated during 1934, the inaugural midnight ceremony taking place at the Coliseum, Exhibition Grounds, on Mar. 6 in the form of a religious and musical service, participated in by 12,000 people and a radio audience. A choir of 2,500, conducted by Dr. H. A. Fricker, gave a programme of Wagner, Handel, Mendelssohn, Stanford and Stainer. The Rev. Canon C. Venn Pilcher headed the Religious Service Committee which had charge of the watchnight service. During the day there had been a City Council meeting and, later, a luncheon given by the Mayor and the Council in the Crystal Ballroom of the King Edward Hotel attended by 600 guests, prominent amongst whom were the Lieutenant-Governor, the Hon. Herbert A. Bruce and Mrs. Bruce; the Prime Minister of Canada, the Rt. Hon. R. B. Bennett; and the Dominion Opposition Leader, the Rt. Hon. W. Lyon Mackenzie King, the grandson of William Lyon Mackenzie, the first Mayor of Toronto. The Centenary was marked by special programmes arranged during the holiday periods of the months of May (24), July (Dominion Day) and August (Civic Holiday). On May 24 a picturesque parade of historical figures was staged in front of the City Hall and through sections of the City. His Excellency the Governor-General, the Earl of Bessborough, opened the restored Fort York which had been built during the period of 1793-96. On Monday, July 2, a celebration at the Exhibition Grounds included the official opening of an historical exhibit, a regatta, an air pageant and other ceremonies. The first week in August witnessed a fitting climax to the great occasion in a reunion of the Canadian Corps in Toronto when 75,000 veterans gathered. Messages were received from His Majesty the King and His Royal Highness the Prince of Wales in answer to the loyal greetings from the Chairman of the Reunion Committee. Amongst the distinguished visitors to the City during the Centennial celebrations were Mr. Willoughby P. Cole, a great grandson of John Graves Simcoe, first Governor of Upper Canada. Colonel Cole and his daughter Dorothy, who accompanied him, were the first descendants of Governor Simcoe to visit Toronto since their ancestor left in 1796. Other noted representatives of historical personages were Colonel le Marquis de la Jonquiere and his cousin Mlle Mathilde de la Jonquiere, descendants of the French Governor of the same name who directed the building of Fort Rouille. Sir Reginald and Lady Tyrwhitt and Lord and Lady Allenby were guests of honour at some of the numerous events of the Canadian Corps Reunion, one of which was cited as the most magnificent episode of the Centenary celebration. This was a military tattoo in Riverdale Park and a gigantic fireworks display in the evening of Aug. 6 when more than 200,000 persons were present. Associated with Lieut.-Col. H. R. Alley, Director of the Centennial celebration: were J. A. Northey who had succeeded Brig.-Gen. C. H. Mitchell as Chairman of the General Centennial Committee, Dr. Ernest MacMillan, Chairman of the Music and Pageantry Committee, Prof. A. H. Young, Chairman of the Historic Sites and Buildings Committee, and the Mayor of Toronto, W. J. Stewart.

A. E. Smith, National Secretary of the Canadian Labour Defence League, and former Member of the Manitoba Legislature, was acquitted by a jury on a charge of uttering seditious language at a meeting held at Hygeia Hall, Toronto, on Jan. 17, 1934, the trial beginning on Mar. 5. He was alleged to have said that Mr. Bennett (Prime Minister of Canada) was directly responsible for the shooting at Tim Buck, Communist, while in his cell at Portsmouth Penitentiary. Smith denied the charge, declaring that the police account of the address at Hygeia Hall was inaccurate.

On Mar. 15, 1934, a Special Committee of 13 outstanding citizens of Toronto was appointed by the Board of Control to report, in an advisory capacity, on housing conditions in certain areas of the City. The Hon. Herbert A. Bruce, Lieutenant-Governor of the Province, consented to act as Honorary Chairman. The Report, issued on Nov. 5, estimated that there were within the City limits from 2,000 to 3,000 dwellings unfit for human habitation. It stated that there was a shortage of some 25,000 dwelling units that would become especially apparent on a return to normal business conditions. The Committee recommended that the City should initiate at once extensive projects for the demolition of slums and the provision of low-cost houses and it urged the creation of a city-planning commission.

On May 28, 1934, Mrs. Oliva Dionne of Callander gave birth to quintuplets, all girls. To the astonishment of the medical world, which was unable to cite a precedent, all five survived and gradually grew into normal-sized, healthy babies. The interest of North America and even other parts of the world was keen and prolonged, and offers of assistance poured in from many sources. The part played by the attending physician, Dr. Allan Roy Dafoe of Callander was also recognized. A hospital for the babies was made possible through the assistance of the Provincial Government, and a Hydro-Electric Power Commission line was run through the bush so as to provide light and heat. The Hon. David Croll, Minister of Public Welfare, formally opened the institution on Sept. 14. On Nov. 19 the proud mother received a cheque for five pounds from King George, the bounty paid for multiple births. On Dec. 3, it was announced that the name of Dr. Dafoe would be laid before the Nobel Commission on the ground that the North Bay physician had made an outstanding contribution to medical science. Later Dr. Dafoe made a trip to New York where he was widely acclaimed.

A difference of opinion developed between the Hepburn Administration and the Mayor of Toronto (W. J. Stewart) over the reception to be given a group of "hunger marchers" on the capital in July, 1934. The Prime Minister instructed the Provincial Police to afford them every courtesy along the highways on their way to Toronto, but Mayor Stewart asserted that the City would uphold the ruling of the Toronto Police Commission denying them the right to parade through the streets of Toronto. One consequence of this clash, the removal of two members of the Toronto Police Commission, has already been noted. The "March" was actually held on July 30, and the 2,000 participants were received by the Hon. H. C. Nixon, in the absence of the Prime Minister. The Government's reply to their demands has already been mentioned. (See "The Hepburn Administration").

The first kidnapping in Canadian history occurred when John S. Labatt, wealthy London brewer, was abducted from his automobile on Aug. 14, 1934, between Sarnia and London. In his car, abandoned outside St. Joseph's Hospital at London, Ontario, was a note which demanded $150,000 ransom. Three days later he was released, blindfolded, in Forest Hill Village, near Toronto. It was not disclosed at the time whether or not a portion or all of the ransom money had been paid. Later, the summer cottage where he had been retained by the kidnappers was discovered about nine miles from Bracebridge on the Port Carling road. Threatening notes were received by the Prime Minister and the Attorney-General of Ontario, warning them to stop the newspapers from publishing details of the kidnapping. Subsequently, David Meisner of Cincinnati was brought to Ontario from Detroit to stand trial, and search was begun for Albert Pegram, another suspect. On Feb. 6, 1935, Meisner was

found guilty on three charges, kidnapping, imprisonment and armed robbery, and sentenced to fifteen years imprisonment without lashes.

On Aug. 13, 1934, Frank Woods and Harry and James Leslie were committed for trial at Toronto on a charge of conspiring to kidnap J. Stanley McLean, the President of Canada Packers Limited, after police had discovered an excavation beneath a tourist camp at Mimico where the abducted victim was to have been held for $100,000 ransom after the contemplated kidnapping, according to the police theory. The accused were finally dismissed.

An alleged "blackmailing ring" at London, Ontario, was broken up by the police during the latter months of 1934, and several persons were convicted and sentenced for the offences. Mrs. Mae Turnbull was sent to Kingston Penitentiary for five years on two charges; Frank Taylor, Sr., Mrs. Turnbull's former husband, received 18 months in the Ontario Reformatory, Frank Taylor, Jr., son of the former, was sentenced to five years at Kingston; Rosa Taylor, wife of Frank Jr., went to the Mercer Reformatory for one year. Blackmail charges against Vincent T. Foley, prominent London lawyer, were dropped, but subsequently he was sentenced to four years at Kingston Penitentiary on two charges of theft by conversion, involving $10,315.15. The evidence showed that Mrs. Turnbull and Mrs. Taylor made advances to business men, whose names were not disclosed, and that when found in compromising situations the latter paid over large sums to avoid prosecution.

Conspiracy charges against the Hon. Senator E. S. Little of London, Arthur T. Little of the same City, and their brother, Walter, of Winnipeg, were dropped on Oct. 12, 1934, when Mr. Justice J. A. Makins took the case out of the hands of the jury for the reason that no guilt had been shown against any of the defendants. The money which they had taken out of the Little firm was their own, the Judge ruled.

The Bishops of the Catholic Church in Ontario met in Ottawa on Nov. 6, 1934, and unanimously agreed to organize a Legion of Decency for Ontario Catholics similar to the body already under way in the United States. They drew up a plan whereby all movie pictures would in future be censored and lists would be provided, from time to time, for parishes and for publication in the Catholic Press of the Province naming (1) banned pictures; (2) pictures suitable for adults only; and (3) pictures suitable for younger people. Within a short period of its inauguration pledge cards of the Legion were distributed throughout the parishes of the Province. In the Toronto Archdiocese alone, two months after the decision of the Bishops, 33,000 signed cards had been returned to the Legion Committee.

J. J. Coughlin was appointed a Commissioner by the Dominion Government on Dec. 8, 1934, on behalf of the Government of Ontario to inquire into all municipal, school, public utilities and other local affairs affecting and relating to the Cities of Windsor and East Windsor and the Towns of Walkerville and Sandwich. It was understood that legislation would be introduced during the 1935 Session of the Ontario Legislature combining these municipalities into one city.

At the Annual Convention of the United Farmers of Ontario in Toronto on Dec. 13, 1934, a resolution was unanimously adopted demanding that the Hepburn Government submit a referendum to the people allowing them a chance to express themselves either for or against the continuation of the existing beer and wine legislation. The resolution charged that the beer and wine Bill had been introduced in a manner which had virtually prevented the people from expressing their opinion one way or another. Another resolution of the Meeting requested the Government of Ontario to amend the Municipal Act to enable the citizens of any town, city or village through its Municipal Council, to acquire existing plants and undertake the distribution of milk on the same basis as that of any other public utility. In his address to the Meeting the President, R. J. Scott, denounced the "wholesale dismissals" of civil servants by the Hepburn Government and declared that the beer-profit plan of the Government was a bribe to municipalities which had beverage rooms.

The Province of Ontario

(As at Dec. 31, 1934)

Lieutenant-Governor ..... Col. and Hon. Herbert Alexander Bruce, R.A.M.C., M.D., F.R.S.C. (Eng.), LL.D.

The Hepburn Ministry (Liberal)

(Sworn in July 10, 1934)

Prime Minister, President of the Executive Council and Treasurer	The Hon. Mitchell Frederick Hepburn
Secretary and Registrar	The Hon. Harry Corwin Nixon
Minister of Lands and Forests	The Hon. Peter Heenan
Minister of Agriculture	The Hon. Duncan Marshall
Attorney-General and Minister of Labour	The Hon. Arthur Wentworth Roebuck, K.C.
Minister of Education	The Hon. Leonard Jennett Simpson, M.B.
Minister of Public Works and Highways	The Hon. Thomas Baker McQuesten, B.A.
Minister of Health	The Hon. James Albert Faulkner, B.A., M.D., C.M.
Minister of Mines	The Hon. Paul Leduc, B.A., LL.M.
Minister of Public Welfare and Municipal Affairs	The Hon. David Arnold Croll, LL.B.

Speaker of the House ..... (Vacant)

Heads of the Administrative Services

Deputy Minister of Education	Duncan McArthur, M.A.
Assistant Provincial Secretary	F. V. Johns
Deputy Minister of Game and Fisheries	David James Taylor
Deputy Attorney-General	I. A. Humphries, K.C., LL.B.
Deputy Minister of Mines	T. W. Gibson
Provincial Auditor	Gordon A. Brown
Clerk, Executive Council	C. F. Bulmer
Deputy Minister of Lands and Forests	W. C. Cain
Provincial Archivist	Col. Alexander Fraser, LL.D.
Superintendent of Insurance	R. Leighton Foster
Deputy Minister of Hospitals	Dr. Bernard T. McGhie
Assistant Treasurer	J. T. White, K.C.
Deputy Minister of Northern Development	Robert A. Campbell
Deputy Minister of Public Works	Chester S. Walters
Deputy Minister of Forestry	Frederick Noad
Clerk of the Legislative Assembly	Major A. C. Lewis
Deputy Minister of Health	Dr. W. J. Bell
Deputy Minister of Highways	R. M. Smith
Deputy Minister and Surveyor-General, Department of Lands and Forests	L. V. Rorke
Deputy Minister of Agriculture	James B. Fairbairn
Deputy Minister of Labour	James F. Marsh
Deputy Provincial Secretary	C. F. Neelands
Deputy Minister of Public Welfare	M. A. Sorsoleil
Acting Chairman, Agricultural Development Board	James B. Fairbairn
Chairman, Mothers' Allowances Commission	David Jamieson, M.D.
Chairman, Old Age Pensions Commission	David Jamieson, M.D.
Comptroller of Revenue	W. A. Orr
Law Clerk of the Legislative Assembly	Herbert Leopold Cummings
Civil Service Commissioner	Charles J. Foster
King's Printer	T. E. Bowman
Public Trustee	A. N. Middleton
Deputy Minister of Municipal Affairs	Herbert Leopold Cummings
Chief Commissioner, Liquor Control Board	E. G. Odette
Chairman, Workmen's Compensation Board	George Wilkie, K.C.
Chairman, Minimum Wage Board	A. W. Crawford

THE PROVINCE OF QUEBEC

Provincial Affairs—Economic and Political—During 1933-34

The depression having reached its lowest point, by general consent, in the month of February, 1933, conditions in the Province of Quebec showed some improvement during the following months of that year and continued to make more pronounced progress throughout 1934. On the whole there was less unemployment but the work of relief continued to make a heavy drain on the resources, both of the Province and of the municipalities—the larger ones in particular.

Lumbering and newsprint industries, which had been in serious difficulties, showed signs of improvement, thanks to a greater demand, although prices were still too low to permit of a profitable margin. Towards the end of 1934 something very like a trial of strength developed between the Hon. L. A. Taschereau, Provincial Prime Minister, and the American Newspaper Publishers' Association, as a result of which Canadian mills, almost without exception, announced their intention of advancing prices to a more remunerative level in 1935.

An undeniable stimulation of industrial activity, accompanied by a general increase in commodity prices, failed to gain any degree of volume or momentum because the prices of all agricultural products continued to be discouragingly low and wages failed to move up appreciably. This meant a lack of buying power on the part of agricultural and of industrial workers alike, which the Hon. R. F. Stockwell in his 1934 Budget Speech referred to as still remaining "the most disturbing feature of the present situation."

Crops, with the exception of hay, were good; while mining—gold, first of all—showed a satisfactory activity. The tourist industry, while it failed to come up to the most optimistic anticipations, was nevertheless well sustained in comparison with 1932-33.

With unemployment still persistent and the resources of governments and municipalities becoming further and further strained, the problem of relief was much to the fore during the period under review. An Agreement was signed on July 27, 1933, between the Hon. J. N. Francoeur for the Province of Quebec and the Hon. W. A. Gordon (Minister of Labour) for the Dominion of Canada, whereby the Dominion Government, the Provincial Government and the individual municipalities would each contribute one-third of the cost of direct relief. In municipalities supervised by the Quebec Municipal Commission and in unorganized districts, the Dominion and the Province, by the Agreement, would divide the cost equally between them. If the latter decided to undertake the construction of any

portion of the Trans-Canada Highway as a relief measure, the Dominion would contribute 60 cents for each man-day of work.

This arrangement did not prove very satisfactory in the larger municipalities and Mr. Taschereau, as the result of representations from the City of Verdun, wrote to Mr. Gordon at Ottawa during the Autumn (1933) to ask whether the Dominion Government would be prepared to pay one-third of the cost of materials, as well as of labour, on relief works in that municipality. The Federal Minister replied by wire, Oct. 3, advising that his Government had no alternative but to adhere to the existing Agreement. Early in the 1934 Session of the Legislature and at the Dominion-Inter-Provincial Conference at Ottawa in the middle of January, 1934, the Quebec Prime Minister next proposed a new system under which the municipalities should be relieved of all contributions to the cost of direct relief. The situation in Montreal now became critical and following consultations between Mr. Taschereau and banking heads, representatives of the Board of Trade, la Chambre de Commerce and other public bodies, by a vote of 20-7, decided to ask the Legislature to appoint an Administrative Commission to which the finances of the metropolis should be entrusted for one year. This meeting took place, Mar. 5. The next incident was the publication by *The Gazette*, Montreal, Mar. 17, 1934, of a report that Federal auditors had discovered grave irregularities in connection with a $4,000,000 relief programme undertaken in the Winter of 1931-32, as a consequence of which, it was said, Quebec and the Dominion might refuse to pay about $1,250,000 on a total claim for reimbursement of $2,400,000 entered by the City of Montreal. Formal charges of irregularities in the payment of relief funds in the Province of Quebec were put forward by the Department of the Auditor-General at Ottawa on Mar. 29; and although the Mayor of Verdun city denied these, the Provincial Government admitted the possibility that relief costs might have been "exaggerated" in some instances. It was made known immediately after this that unless $310,000 could be placed in the City Treasury by Apr. 2, the City servants generally would have to go without pay; and on Mar. 31, Mr. Francoeur wrote Honoré Parent, K.C., Director of Services, that the Government would pay their share of money spent in behalf of the unemployed at Montreal, as soon as the accounts were verified by their auditors. Some three weeks later, Apr. 21, the Dominion Prime Minister (Mr. Bennett) charged in the House of Commons that Montreal was holding up relief work, the first accounts in nearly ten months having been received at the Capital the previous day. After more delays and long range recriminations, Mr. Gordon, in the House of Commons, June 8, 1934, declared that the Dominion Government were willing to advance $3,000,000 to Montreal, provided that the Quebec Government would do likewise. Mr. Taschereau promptly replied, looking this "gift horse" very critically in the mouth and contending that this was merely money already due to Montreal. At a Cabinet meeting held

in Quebec on June 13 it was decided that the Provincial Government would accept this proposal only on the understanding that they would not be asked to pay the Dominion Government 5 per cent. on the $3,000,000 granted to be passed on to the metropolis. No action had been taken by the close of 1934, in spite of intermittent controversy between the various interests, and both Montreal and Quebec City were threatening to discontinue direct relief entirely.

Throughout this period the abnormal financial situation had been keenly felt by the Provincial Treasury. The Hon. R. F. Stockwell announced on July 19, 1933, that a bond issue of the Province amounting to $10,350,00 for 25 years at 4½ per cent. interest had been taken up by a syndicate headed by the Bank of Montreal, at the price of 96.31. This proved to be the preliminary to a further announcement made on Sept. 9, also by the Provincial Treasurer, that the fiscal year ending June 30 had closed with a Deficit of $6,840,908, due to a falling-off in revenue and to heavy extra calls on the Government. Later again, on Mar. 16, 1934, tenders were called for a $7,700,000 Provincial bond issue, with 4 per cent. interest, to reimburse the consolidated revenue fund for advances made to cover fundable expenditures authorized under Acts of the Legislature. These bonds were sold to a syndicate organized by A. E. Ames and Co. at the price of 99.577, which represented the lowest cost to the Province since before the World War.

Astute as usual in responding to the demands of public opinion—in this instance the culmination of a campaign that originated in Quebec city and made its way to other parts of the Province, enlisting influential supporters such as the Hon. T. D. Bouchard, in his capacity as Mayor of Ste. Hyacinthe—the Provincial Government on Aug. 23, 1934, announced the appointment of a Commission of Inquiry, consisting of the Hon. Ernest Lapointe, Chairman, George C. McDonald (Chartered Accountant, Montreal), and Augustin Frigon (Principal of the Polytechnical School, Montreal) to study the whole problem of electricity as a public utility in the Province, and to make recommendations for its solution in a satisfactory manner. This body quickly set to work and held sittings at all the principal points during which numerous witnesses were heard, elaborate briefs being submitted both by the champions of public ownership and by the privately-owned power corporations. At the end of 1934, it was expected that the Commission would be ready to report in time for the Session of the Legislature which had been convened for early in the New Year. Meanwhile, some of the evidence had disclosed such a drastic attitude that the Prime Minister (Mr. Taschereau) found it advisable to issue a statement on Nov. 20, 1934, assuring shareholders, bondholders and all others connected with the power corporations, that their rights would be respected in any reforms eventually decided upon.

Province-wide interest was aroused by the appointment, on Apr. 24, 1934, of the Hon. Esioff Patenaude as Lieutenant-Governor to

succeed the Hon. Henry George Carroll. Mr. Patenaude, who had filled at one time or another various positions of importance in the public life of both the Dominion and the Province, was sworn in by Sir Mathias Tellier, Chief Justice of the Appeal Court of King's Bench, and took over office from his predecessor at a brilliant ceremony in Quebec city on May 7, 1934.

Most outstanding during the year 1934 was the celebration of the 400th Anniversary of the discovery by Jacques Cartier of the St. Lawrence area including the present site of the Cities of Quebec and Montreal. On Aug. 26, 1934 at Gaspé, the spot where Jacques Cartier first made his landing on the Canadian mainland, unusual and impressive ceremonies took place. A great cross, carved in stone hewn from a quarry at St. Malo, the French port from which Jacques Cartier sailed on his voyage of discovery, was unveiled by the Prime Minister of Canada, the Rt. Hon. R. B. Bennett, while representatives of the four nations, Great Britain, France, the United States and the Dominion, all associated in the historical development of the North American continent, gathered to do honour to the celebrated discoverer. Mr. Bennett read a message of appreciation from his Majesty in answer to one forwarded on behalf of the Canadian Government and the people, expressing loyalty and devotion. The French Government had sent as their representative, M. Pierre Flandin, Minister of Public Works, who bestowed on His Eminence J. M. Rodrigue Cardinal Villeneuve, Archbishop of Quebec, the *insignia* of the Grand Cross of a Chevalier of the Legion of Honour, and upon Senator D. O. Lesperance of the Gaspé Committee in charge of the celebrations, the Cross of an officer of the same order. From Great Britain came Admiral of the Fleet, Sir Roger Keyes and from the United States, the Hon. Warren Delano Robbins, while M. Victor Boisard, acting for His Eminence Cardinal Verdier, Archbishop of Paris, extended His Eminence's greetings. The Province of Quebec was represented by the Lieutenant-Governor, the Hon. E. L. Patenaude, and the Prime Minister, the Hon. L. A. Taschereau. In the evening an entertainment in the form of a banquet by the Gaspé Committee took place. Pontifical High Mass on the cliff overlooking the beach where Jacques Cartier landed was celebrated on the following day, Cardinal Villeneuve acting as celebrant with His Excellency Mgr. Andrea Cassulo, Apostolic Delegate to Canada, and Mgr. Camille Roy, Rector of Laval University, in attendance.

Another ceremony of note in the Province was that at Three Rivers, some weeks before (July 1) when 4,000 people gathered in the courtyard of St. Joseph Seminary to celebrate the Third Centenary of the City's foundation.

In the field of Provincial politics the period under review was comparatively quiet. A new Leader of the Quebec Conservative Party was chosen; the Government were victorious in three By-Elections; several new, but small groups appeared on the political scene,

and a series of changes were announced by the Prime Minister as having been made in the Administration.

The early Autumn of 1933 witnessed the election of Mr. Maurice Duplessis (Three Rivers), as Leader of the Provincial Conservative Party, by a fully representative and lively Convention held at Sherbrooke, Oct. 3-4, 1933. After consulting his friends in the various districts Mr. Duplessis had decided that a convention should be called, although it was felt in some quarters that he was entitled to assume leaderhip without going through such a formality. Partly, no doubt, he was moved by the hostile attitude of Messrs. Aimé Guertin, Laurent Barré and C. E. Gault, nominally Conservatives but die-hard supporters of Mr. Camillien Houde who had denounced the Member for Three Rivers when the latter criticized his attempted wholesale contestation of the General Election of Aug. 24, 1931. In the case of Mr. Gault, there was also perhaps a little personal feeling over the fact that he had been superseded in the House leadership, the previous year, by Mr. Duplessis (see *The Canadian Annual Review, 1933*).

It had been generally assumed that the position of the Member for Three Rivers was beyond question; but on Sept. 25, Onesime Gagnon, K.C., Member of Parliament for Dorchester, and a law partner of the Hon. Maurice Duprè, Dominion Solicitor-General, appeared as a candidate for the post of Provincial Conservative Leader and was endorsed by Messrs. Guertin, Barré and Gault. This incident came as a complete surprise because on July 30, 1933, on the occasion of a great demonstration at St. Eustache in honour of the twenty-fifth anniversary of the entry of the Hon. Arthur Sauvé into public life, the Federal Member for Dorchester had not only disclaimed any intentions of entering the Provincial field but had acknowledged Mr. Duplessis as head of the Provincial Party. Moreover, in spite of persistent rumours, he had continued to deny his candidature as Conservative Leader up to the last moment before it was actually announced. This action on Mr. Gagnon's part was highly speculative. What were the motives that impelled him? Legitimate ambition of course, but he was undoubtedly urged and pursuaded into presenting himself by Federal Conservatives who were not satisfied with the support they had received from Mr. Duplessis, and by the sympathizers with Mr. Houde whose feelings were bitter.

However the Member for Three Rivers might have felt about this challenge from outside the Provincial organization, he wisely kept his counsels to himself and left it to his friends to protect his interests. With the exception of the three already mentioned, the Conservative Members of the Legislature were solidly with him and the organization of the Convention was in their hands, Hortensius Béique, Member for Chambly, being Chairman. This, together with the general feeling that Mr. Duplessis deserved confirmation in his leadership both by his ability and his services—Mr. Gagnon being placed

in a false position as an intruder—gave a distinct advantage to the man in possession and, as it proved, a decisive one.

Whatever else it may have done, Mr. Gagnon's entry in the lists certainly directed nation-wide attention to the Sherbrooke gathering and helped to secure a numerous attendance, delegates flocking in with enthusiasm at the prospect of a lively fight. So keen was the spirit of faction that rival headquarters were maintained at separate hotels. Mr. Gagnon's supporters were vociferously demonstrative with their banners and slogans, apparently hoping to take the Convention by storm as Mr. Houde had done a similar gathering at Quebec in 1929. And the situation was deceptive because the Duplessis forces kept grimly silent: only when the opposition made repeated efforts to gain control by resolutions cunningly put forward, did they show their strength, voting these down without difficulty. And Mr. Béique directed the proceedings with a firm hand.

The vote came on the afternoon of the second day and with 550 delegates seated, Mr. Duplessis received a majority of 118, the ballot being 334-216. Mr. Gagnon was the first to greet the man who had defeated him and to withdraw from a difficult situation in a graceful speech. This olive branch was diplomatically accepted by the Leader-elect and Mr. Gagnon returned to Ottawa with his prestige apparently unshaken. But the victors could not resist one significant gesture: at a caucus of Conservative Members of the Legislature, held on Oct. 6, Antoine Elie of Yamaska was chosen Chief Whip in place of Mr. Guertin. Mr. Duplessis was welcomed back to Three Rivers with public rejoicings at the distinction that had fallen upon that constituency.

During the latter half of 1933, By-Elections were brought on in three constituencies to fill vacant seats. Alexandre Gaudet, Prefect of Nicolet, was nominated by a Liberal Convention, Oct. 25, to be the Party standard-bearer, succeeding the late J. A. Savoie, M.L.A. Mr. Duplessis, who had been chosen Provincial Conservative Leader not three weeks before, did not see fit to stage a campaign and two weeks later, Mr. Gaudet was elected by acclamation.

Some Conservatives were naturally dissatisfied with seeing the issue thus allowed to go by default, in addition to which the County of Wolfe was believed to offer better fighting ground. Accordingly, Nov. 8, when Thomas Lapointe, Mayor of Disraeli, was nominated as the Liberal candidate, succeeding Dr. J. P. C. Lemieux, who had retired to become Sheriff, A. B. Skinner was put forward as the Conservative nominee. In the event, Mr. Lapointe was elected by a majority of 626 on Nov. 15, 1933, and although Mr. Duplessis complained that racial prejudices had been unfairly exploited, the Prime Minister (Mr. Taschereau) openly rejoiced, declaring on the following day: "It is a great victory. When Governments all over the world are toppling, one after another, the good old Government of the Province of Quebec is winning election after election—Nicolet by acclamation, Wolfe by a large majority, and we are on the verge

of another victory which will come in a few days; that in Jacques Cartier."

In fact, Jacques Cartier, which had been left open since the elevation of the Hon. Victor Marchand to the Legislative Council about a year before, had been given a Liberal candidate, Nov. 14, in the person of Theodule Rheaume, K.C., a former Member of the House of Commons. J. A. Whittaker, a Conservative from Beaconsfield, showed ambitions to contest the seat but desisted on the advice of Mr. Duplessis. On Nomination Day, Nov. 21, Mr. Rheaume was opposed by E. Richer, Labour candidate. But the latter retired the day before the polling, Nov. 27, and Mr. Rheaume was elected by acclamation, in consequence.

Towards the end of 1933 a body known as the Association of Young Canadians began to show activity, mainly in Montreal, giving public expression to views of a somewhat radical nature. And on June 11, 1934, there was launched with Provincial letters-patent —apparently as a further development—a new political group, styling itself the Party of National Liberal Action. Endorsing the Liberal Party at Ottawa, it claimed that the Party at Quebec was in need of greater "democracy." The adoption of such policies as the public ownership of electricity, a minimum wage for male workers, old-age pensions, mothers' allowances, and intensive colonization were advocated. The Leader of the Party was Paul Gouin, a son of the late Sir Lomer Gouin, of whom, when Prime Minister of Quebec, the Hon. L. A. Taschereau was one of the chief lieutenants. Other promoters were less prominent but they had the active support of at least one Federal Liberal Member, Edouard Lacroix (Beauce) and some show of sympathy from Provincial Liberals of an independent turn of mind, such as the Hon. T. D. Bouchard, Speaker of the Legislative Assembly, and the Hon. J. C. E. Ouellet, M.L.C. Regional rallies were held by the new Party at various points during the Summer months.

Shortly afterward, July 8, 1934, there was launched at Rougemont, in Rouville County, of which Laurent Barré was the sitting Member, still another political group: this time an offshoot from Provincial Conservatism, self-christened the Square Party (*le Parti Franc*). Its programme bore a close resemblance to that of the Party of National Liberal Action and its triumvirate of leaders were Laurent Barré, Aimé Guertin, M.L.A. for Hull, and R. L. Calder, K.C., who had been prominent in the organization of Mr. Houde during the latter's successful bid for the mayoralty of Montreal some three months previously.

One of the chief events of the year was the rapid rise to Ministerial rank of Irenée Vautrin, Deputy Speaker of the Legislative Assembly and Member for St. James Division, Montreal. Following an active Session in which he highly distinguished himself, this talented legislator was made Minister without Portfolio on May 9, 1934, succeeding the Hon. Lauréat Lapierre, who had resigned from

the Cabinet a short time before to become Sheriff of the Judicial District of Quebec. And a few months later, Mr. Vautrin gained further promotion, becoming Minister of Colonization in the place of the Hon. Hector LaFerté as part of a whole series of changes. The Hon. Joseph N. Francoeur added the Department of Game and Fisheries, which previously had been under Mr. LaFerté's jurisdiction, to his own Department of Public Works. Mr. LaFerté, meanwhile, was raised to the Legislative Council as its Speaker, a seat being created for him by the retirement of the Hon. W. G. Power to fill the vacancy on the Quebec Liquor Commission created by the death of Napoleon Drouin, Quebec city. The Speakership had been made available to Mr. LaFerté at the same time, through the resignation of the Hon. Jacob Nicol, the latter rejoining the Cabinet as Minister without Portfolio and Leader of the Legislative Council. This position was willingly given up by the Hon. George Bryson who, in addition to being advanced in years, had been shaken by the death of a much beloved wife. By this means, apart from any other considerations, the Cabinet representation, as between the chief political districts of the Province, was more nearly equalized, Montreal getting an additional Minister at the expense of Quebec.

By the end of 1934 there were eight vacancies in the Legislative Assembly; in Temiscouata through the appointment of J. W. Morel to be Sheriff of Kamouraska, May 16, 1934; in Quebec County through the appointment of Ephraim Bedard to be Vice-Chairman of the Liquor Commission, succeeding the late Hon. Philippe Paradis, May 3; in Megantic through the appointment of the Hon. Lauréat Lapierre to be Sheriff of Quebec, May 3; in Drummondville through the elevation of the Hon. Hector LaFerté to the Legislative Council as its Speaker, July 25; in Papineau through the death of Désiré Lahaie, Oct. 11; in Montcalm through the death of Méderic Duval, Nov. 3; in Gatineau through the death of A. A. Legault, Dec. 19; and in Argenteuil through the death of Georges Dansereau, Dec. 26, 1934.

Quite as lively as the Provincial Conservative Convention in the previous Autumn, and scarcely less important, were municipal elections held in the two chief municipalities of the Province: Montreal and Quebec city. The latter campaign got under way early in January, 1934, and from the first it was evident that the retiring Chief Magistrate, Lieut.-Col. H. E. Lavigueur, had a hard fight on his hands. Two years previously he had been elected to the mayoralty with the support of a group of citizens who had been actively agitating to have the local rates for electricity brought down to the Ontario Hydro-Electric level, failing which the service should be municipalized. During his subsequent term he had given every possible support to that campaign but, on Sept. 9, 1933, a report was submitted by an Advisory Board of Engineers, consisting of Messrs. R. A. Ross and Arthur Surveyer of Montreal and Edouard Hamel, Chief Engineer, Quebec city, that had been named by the

Council some months earlier to study the question. The report in question rejected the idea of municipalization, proposed specific rate reductions and advocated that discussions with the Company be re-opened. Fresh negotiations were entered into thereupon between Colonel Lavigueur and representatives of the Quebec Power Company who proposed a new schedule to be incorporated in a ten-year contract. After the members of the Administrative Committee had reached a deadlock, the Mayor—who told his colleagues that the citizens would benefit to the extent of $250,000 from the reductions in their annual light bills—gave his casting vote to secure the adoption of the proposal on Nov. 30, and on the following evening, the schedule was adopted by Council, by a vote of 8-3, thus practically ending a three-years' dispute, the new ten-year contract being signed on Dec. 22 by Colonel Lavigueur and J. E. Tanguay, General Manager of the Company. The public ownership group in the community were indignant at this apparent abandonment of their cause, while many citizens were unable to understand the Mayor's policy. Seeking to capitalize the unsettled state of public opinion, Oscar Drouin, K.C., M.L.A., for Quebec East, was early in the field against Colonel Lavigueur with a manifesto in favour of municipalization; and Pierre Bertrand, M.L.A., for St. Sauveur, quickly followed, standing on a straight labour platform. Evidently, Mr. Drouin's chances were not considered of the best for the public ownership group brought out as their candidate, J. E. Gregoire, an advocate who was chiefly known as a Professor of Economics at the Quebec Commercial Academy, and with him a complete aldermanic slate. This in turn alarmed the opponents of municipalization who feared that three opponents might be too many for Colonel Lavigueur, and so before Nomination Day, Feb. 12, 1934, Ex-Mayor Oscar Auger likewise entered the lists.

The campaign was short but warmly contested and on two occasions Colonel Lavigueur, who had spent by far the greater part of his time trying to create work in the City and to relieve unemployment distress, had great difficulty in getting a hearing in the labour section of the City. At an early stage Messrs. Gregoire and Bertrand asserted themselves as the most dangerous contenders and on Election Day, Feb. 19, 1934, Mr. Gregoire was elected by a record majority of more than 2,000 votes over Pierre Bertrand, the second candidate, in ballotting that represented 75 per cent. of the electorate. Colonel Lavigueur finished third, with Mr. Drouin and Mr. Auger, fourth and fifth, respectively. Two former Aldermen were defeated and six new figures entered the Council, of whom one only was on the slate with the Chief Magistrate-elect. A couple of days later, the oath of office was administered to Mr. Gregoire by Recorder Eugene Desrivieres, and on Mar. 1, at the Montcalm Palace, in the presence of an audience that overflowed the municipal hall for the inaugural ceremony, he outlined his programme, an address also being delivered

by Dr. P. H. Bedard, Council Leader for 5 years and representative of St. Jean Baptiste Ward for 19 years.

Scarcely had the municipal affairs of Quebec city been settled than impending civic elections at Montreal began to arouse keen interest. The retiring Mayor was the Hon. Fernand Rinfret, M.P., former Secretary of State, who had won a handsome victory over Camillien Houde with a pledge to respect the City charter in the discharge of the duties of his office. Mr. Rinfret had made it clear, both before and after his election, that this meant tying his hands to a large extent. But the electors, apparently, were no better satisfied with an inactive Chief Magistrate than with one who had been supremely active, and the candidature of Mr. Houde gained an instant popularity when he announced it on Mar. 18, at a public meeting. Mr. Rinfret decided not to seek re-election and a number of names were put forward as possible opponents for the doughty ex-Mayor. Finally, the choice fell on Dr. Anatole Plante, M.L.A., for Mercier Division, who was young, quick-witted and likeable, but perhaps not yet quite ready for such an ambitious campaign. On Nomination Day, Mar. 27, Salluste Lavery, K.C., and F. Desrosiers also came forward, making it a four-cornered fight. Although Mr. Houde was at no time in danger of defeat, he made the contest a colourful one and the feelings of the masses were aroused with the result that over 150 arrests were made on Election Day, Apr. 9, for disturbance, impersonation and so forth. Living up to past performances, Mr. Houde was elected over Dr. Plante by the tremendous plurality of 53,500 votes—a record in Montreal's annals —with the other two candidates attracting only a very light support. The Mayor-elect had not identified himself with any formal slate of Aldermen but 10 members of the old Council were defeated and it was estimated that he could count on the support of at least 14 of the Councillors elected. Thus, after being completely crushed to all appearances, Mr. Houde staged a triumphant come-back, his political strength greater than ever in the metropolis.

Miscellaneous Incidents of 1933-34. The period was not entirely free from labour troubles, particularly in the lumbering and the mining industries. Seventy-six striking lumber camp workers were arrested on the east shore of Lake Temiskaming, Dec. 13, 1933, after a clash with the Provincial Police and were flown 90 miles to the Ville Marie jail by two pilots who had been sworn in as special constables. A week later, 13 of the accused were given 12-14 month sentences by Magistrate Lacoursiere, Ville Marie, the remaining 63 being freed on suspended sentence.

Some weeks later, on Feb. 28, 1934, Maxime Morin, Law Officer of the Department, who had been sent by Mr. Taschereau, as Attorney General, to investigate the strike of lumberjacks in the Rouyn District, reported that "Communists of the worst kind" were to blame. On the other hand, he admitted that the workers had legitimate grievances in low wages, high prices for goods sold by the jobbers, over-crowding and poor food in the camps. The opinion was expressed that the woods should be exploited by the companies directly, instead of through jobbers. There continued to be unrest and in a fiery meeting held by the "Red" organization at Rouyn, Mar. 25, the *Internationale* was sung.

At Dolbeau, a strike of the employees of the Lake St. John Pulp and Paper Co. was declared, May 21 and settled June 11, 1934, by an agreement on wages. The following day, 300 workers went on strike at the Noranda Mines but this dispute, too, was short-lived. The Provincial Labour Department offered its services as a mediator on June 13; the men began to apply to get their jobs back June 14 and the strike ended June 15. Mr. Taschereau announced June 22 that 34 men who had been arrested at Noranda would be brought to trial: with the exception of a single Canadian, they were all foreigners. After trial before Judge R. Langlais, 17 men were sentenced to 2 years' imprisonment and deportation; while two other men and one woman got off with lighter sentences. These were delivered Nov. 27-29 and Dec. 5, 1934.

Another distinguishing feature of the period under review was the number of serious fires that occurred during its course. Serious forest outbreaks were reported Aug. 24, 1933, on the North Shore and the Gaspé Peninsula, together with smaller ones in the Lake St. John District, but were not of long duration. Previously, July 28, the Imperial Theatre building, St. Joseph St., Quebec city, had been gutted by fire, with a loss estimated at $150,000. Next, the Cathedral at Valleyfield was destroyed, Sept. 21, the estimated damage being $600,000. Fire broke out in the Church of the Immaculate Conception, Montreal, Oct. 27, doing damage to the extent of some $200,000. More than 500 boys were safely taken from St. Charles School, Limoilou, Quebec city, while ablaze, Nov. 20. The fire lasted 8 hours and was estimated to have done $60,000 damage. Again, flames swept through Ste. Phillippe Convent, Three Rivers, Dec. 30, 1933, in weather 50 degrees below zero. Girl pupils to the number of 600 and Ursuline nuns in charge of them were fortunately absent, owing to the holiday season, but the damage done was estimated at $180,500. Back at Quebec city, the Manoir Montmorency Hotel building, St. John St., was gutted by a midnight fire that forced the guests to flee in their night attire, in sub-zero weather, Jan. 30, 1934. Nine firemen were injured and approximately $100,000 damage was done. A group of 12 buildings in the vicinity of Mount Royal Avenue, Montreal, were burned; while a residential fire in Outremont cost three lives: P. J. Durkin, aged 67; his wife, aged 66, and Frank McGuire, of Lowell, Mass., aged 70, all being asphyxiated. The combined damage was about $220,000. Arson was suspected and traced not long after to gangs of small boys, three of whom were sent to the Boys Farm at Shawbridge, Mar. 28, 1934. At Ste. Gregoire, Montmorency County, Apr. 13, the convent of the Sisters of St. Joseph and St. Vallier, about 8 miles from Quebec city, was burned early in the morning with one loss of life, that of Sister St. Charles, née Renée Trottier of Grondines, whose body was found in the smoke-blackened ruins; the estimated damage was $50,000. The forest fire season now came round again and on May 28, some 1,500 men were battling 50 conflagrations in various parts of the Province. The situation was reported to be most serious in Gaspé, Temiskaming, Abitibi, Lake St. John and on the North Shore. The following day 50 miners were saved when the rain extinguished fires around Malrobic Mines, Malartic Township. By May 30, 1934, by far the greater part of the fires were reported to be out with the total damage estimated at $200,000.

On July 15, 1933, the Grand Jury, for years a prominent feature in the administration of Justice in the Province of Quebec, was abolished by Order-in-Council, bringing into effect a law passed at the previous Session of the Legislature. But another piece of Provincial legislation met with an untimely fate on Aug. 28, 1933, when the Hon. Hugh Guthrie, Federal Minister of Justice, refused to sanction the Act empowering two or three Judges of the Montreal District Circuit Court to mount the Bench of the Superior Court to relieve the congestion of cases, at need.

Having been retained by the Attorney-General to prosecute eleven coal companies doing business in Quebec, on the charge of being a combine, formal action was entered by Louis St. Laurent, K.C., in the Court of Sessions, Quebec city, on July 14, 1933. After lengthy proceedings both in that tribunal and in the Superior Court, before Mr. Justice W. Laliberté, five of these concerns: Canadian Import Co.; Canadian Import Co., Ltd.; F. P. Weaver Coal

Co.; F. P. Weaver Coal Co., Ltd.; and British Coal Corporation were found guilty on Dec. 12, 1933, of breaking the Combines Investigation Act and were fined $30,000 each, with costs, the St. Lawrence Stevedoring Co. being acquitted. Appeal was entered on Jan. 10, 1934, pleaded the following May and judgment confirming the verdict rendered on Oct. 5. Trial of the remaining five concerns had been deferred by agreement but was held Nov. 6-14, with judgment expected in a few months. This second group was composed of Hartt and Adair Coal Co., Ltd.; Elias Rogers Coal Co., Ltd.; Mongeau and Robert Coal Co., Ltd.; Scotch Anthracite Coal Co., Ltd.; and Montreal Coke and Manufacturing Co., Ltd.

An organization foreign to the Province of Quebec, generally known as the International Bible Students, whose members styled themselves the "Witnesses of Jehoveh," had come into conflict with the civic authorities on one or two previous occasions, through attempts to sell or distribute pamphlets in which the clergy were held to be subjected to improper attack. On Oct. 3, 1933, a large group of men and women motored into Quebec city from Montreal at an early hour of the morning and, dividing their forces, quickly distributed these controversial pamphlets from door to door. While the work was still in progress, 29 of them were arrested on a charge of seditious conspiracy. The following day they were arraigned in the Court of Sessions, where their preliminary trial opened on Oct. 17. Twenty-three of them were acquitted and the remaining six committed for trial at the Assizes on Nov. 23, by Judge Arthur Fitzpatrick, and remanded to the Spring term. The accused were then further remanded till Nov. 15, 1934, when two of the group were tried before Judge Noel Belleau who, upon their conviction, sentenced them to two months in jail and a fine of $300 or, in default of payment, five additional months. Appeal was entered immediately.

Easily the criminal *cause celebre* in the Province during 1933-34 was a double murder mystery, the scene of which was in the remote Gaspé Peninsula and which seems likely to remain in a class with the unsolved murder of Blanche Garneau at Quebec city, more than a decade before. After supper on the evening of Aug. 31, 1933, two cousins—young girls in their 'teens who lived on adjoining farms—Marguerite, daughter of Albert Ascah, and Maud, daughter of Lewis Ascah, left their homes at Peninsula, Gaspé, to visit their Aunt, Miss F. Peters of Montreal, at her summer cottage about a quarter of a mile distant, on the Perron Boulevard, a Provincial highway. *En route* they were met by two boys, one of them Nelson Phillips, aged 18—a cousin to both—who escorted them to their destination and then turned back towards Peninsula after waiting for some minutes outside the Peters home. At 10 p.m., Marguerite and Maud left their aunt to return to their homes and from that moment dropped out of sight—the former permanently. And it was only a couple of months later that the battered and decomposed body of Maud was found. A thorough search was instituted by Dominion and Provincial Police, with rum-runners or tourists at first suspected, but with no success. Finally, on Oct. 23 a white running shoe identified as that of Maud Ascah, and the naked right foot of a girl, thought to be Marguerite, were discovered on the shore near Peninsula. A few days later, a coat and the other shoe worn by Maud Ascah were likewise found nearby. Then on Oct. 27, the remains of the unfortunate girl herself were discovered, apparently washed ashore. At the inquest held on Nov. 1, 1933, the coroner's jury found that Maud had been murdered. And five days later an alleged confession was claimed by the police to have been obtained from Nelson Phillips, although no motive for the crime was given. After a preliminary hearing at Perce, Nov. 18, he was ordered to stand trial and was arraigned on Feb. 5, 1934, before Judge Laliberté at Quebec, a change of venue having been granted. The trial was presided over by Chief Justice Greenshields of Montreal and, having been found guilty by the jury, Feb. 28, young Phillips was sentenced to be hanged on May 18, 1934. An appeal was entered, however, chiefly on the ground that the alleged confession had not been legally obtained. A new trial was granted by the Court of Appeals and this was presided over by Judge Belleau who refused to admit the confession in evidence. This time,

Phillips was acquitted on Oct. 31, 1934, exactly one year after his arrest. But an appeal was entered by the Crown, Nov. 13, an important principle of law being held to be involved in the admissibility or otherwise of the confession in this case.

Indirectly, the Ascah case led to the uncovering of another major crime. In the course of their search for the missing girls, the Dominion Police discovered a big liquor smuggling organization; documents being seized that implicated more than 500 persons. Raids were conducted simultaneously in seven centres, including Quebec city, Nov. 1, 1933, and a number of arrests made. In due course, the accused were brought to trial, convicted and appropriate sentences meted out.

Litigation going back to 1929, in which $3,000,000 was involved, was disposed of by Judge R. Langlais, Quebec city, Apr. 30, 1934. A contract had been entered into between the Asbestos Corporation and Keasley, Matheson Co., concerning asbestos mines, from which the latter firm afterwards withdrew, claiming that the laws of the United States forbade it to enter a merger —hence the issue. This case was first pleaded before Judge D'Auteuil who died before rendering judgment. Accordingly it was re-opened before Judge Langlais who dismissed the action. It was understood that an arrangement had been agreed upon between the parties notwithstanding.

Mrs. F. D. Roosevelt, wife of the President of the United States, accompanied by her friend, Miss L. A. Hickock, arrived at Quebec city on the evening of July 11, 1933, having motored through the Eastern Townships from the border. The following day was spent in sightseeing and on July 13 the distinguished visitor left to make the Gaspé tour before returning to the United States.

The Italian Air Armada, *en route* to the Chicago Exposition, reached Montreal safely from Shediac, N.S., July 14, 1933, under the leadership of Marshal Italo Balbo, who was greeted by a message from the Prime Minister, Mr. Taschereau.

Announcement was made on Aug. 12, 1933, of the division of the Province into 20 districts by the Provincial Tourist Council, each with its own subsidiary Council. On Sept. 4 Burzynski and Hynek, Polish balloonists, who had left Chicago in the Gordon Bennett contest a couple of days previously, landed 102 miles north-east of Rivière à Pierre, which point they reached Sept. 9 after a tramp through the forest. Their flight, which won for them the coveted trophy, was approximately 812 miles in length.

Dr. W. P. Percival, Director of Protestant Education, announced Sept. 30, 1933, that, after having been withheld for three years, the privilege of writing on the Provincial high school leaving examinations had been restored to private schools by the Protestant Committee of the Council of Education. With the endorsation of the Province of Quebec Association for the Protection of Fish and Game, the Hon. Hector LaFerté on Oct. 9 announced the decision of the Provincial Government to establish a bird sanctuary at Heron Island on the north shore of the Lachine Rapids.

There was unusual activity in the Port of Quebec on Nov. 27, 1933, owing to a sudden and early setting in of winter which made conditions extremely difficult higher up the St. Lawrence River. In all 50 vessels stopped at the Ancient Capital and nearly all the St. Charles River docking space was in use. Between Nov. 28 and Dec. 13, these freighters gradually made their way to sea convoyed by the Dominion Government icebreakers, *Mikula, Lady Grey* and *N. B. McLean.* From early in January, 1934, the weather was exceptionally cold: by Mar. 1 it was reported at Quebec city that there had been 49 days of sub-zero weather, as against 18 during the similar period of 1933. The creeks were frozen solid to their beds and the rivers to a depth of 5 or 6 feet.

During the month of March, 1934, William Paré and Honoré Chouinard of Pointe Lebel, two rural mail carriers in the isolated North Shore country, had some hair-breadth escapes from death in a howling storm while proceeding from Bersimis to Pointe-aux-Monts. The tempest overtook them after

they had left Godbout several hours behind, *en route*. Their little canoe loaded down with mail-sacks was soon half-awash and the rugged coast with its jagged rocks was no less menacing than the huge waves. Meanwhile, huge ice floes began to break up and masses of ice were propelled by the gale towards the canoe. Paré and Chouinard fled, eventually driving their canoe ashore on the rocks and losing all the sacks of mail but one, before they could make their way to the nearest settlement.

The 1934 Session of the Legislature

The Third Session of the Eighteenth Legislature of the Province of Quebec was opened by the Lieutenant-Governor the Hon. H. G. Carroll, on Jan. 9, 1934, with a Speech from the Throne that embodied one of the most crowded and progressive legislative programmes to be set before the Houses on such an occasion, in many years. Government supporters regarded it as an essentially "liberal" document which would effectively offset the radical urgings of their opponents. Municipalization of electricity, the control of milk prices, the protection of the lumberjack in respect of his wages and conditions of work, the establishment of farms for the re-habilitation of ex-convicts, the consolidation of various Provincial police forces: these and other measures of like import were all forecast. The Speech referred to the continuance of the depression during 1933 but saw with pleasure the appearance of a new dawn; confidence was being renewed, commerce and industry were more active, the banks had preserved their stability, unemployment was diminishing and it was beginning to be better understood that work and economy were still the best and perhaps the sole decisive factors of a return to prosperity. The opening ceremony took place in the presence of the usual brilliant assemblage that included Senators, Members of Parliament and diplomatic representatives, in addition to such high dignitaries as His Eminence Cardinal Villeneuve, the Lord Bishop of Quebec, Chief Justice Sir Mathias Tellier of the Court of Appeals and Chief Justice Albert Sevigny of the Superior Court.

After the Members of the Legislative Assembly had been duly sent about their business by His Honour, the three new recruits, Messrs. Alexandre Gaudet of Nicolet, Thomas Lapointe of Wolfe and Theodule Rheaume, K.C., of Jacques Cartier were presented to the Speaker, the Hon. T. D. Bouchard.

The following day, Jan. 10, Mr. Rheaume moved and the veteran W. R. McDonald of Pontiac seconded an Address-in-Reply to the Speech from the Throne, in the Lower House; in the Upper one it was moved by the Hon. Gustave Lemieux and seconded by the Hon. John Hall Kelly. On Jan. 11, speaking in the debate on the Address, the Hon. L. A. Taschereau (Prime Minister) urged the appointment of an independent unemployment relief commission in each Province to administer funds obtained by issuing bonds which should be guaranteed jointly by the Federal and the Provincial Governments. Maurice Duplessis, Opposition Leader, scored the Government policies regarding the "back-to-the-land" movement, public charities and other matters. He urged the immediate establishment of rural credits at a reasonable rate of interest. After one or two more speeches the debate then closed and the Address was adopted by the Assembly—something of a record for that Chamber in the way of quick despatch of business at the beginning of the Session.

On Jan. 16, in reply to a challenge, Mr. Taschereau informed the House that his stand on the St. Lawrence waterway question was unchanged: "It is a bad thing for Quebec," he declared, "a bad thing for Canada and involves an expense that the country is in no position to afford." The House later adjourned to permit him to go to Ottawa for the Dominion-Inter-Provincial Conference which opened the following day. Mr. Taschereau returned to Quebec on Jan. 20 and three days later made a statement to the Assembly as to the business which had been transacted at Ottawa, and which did not appear to have taken very definite form.

From this point the legislators settled down to an unusually prolonged Session, adjourning over the Easter holiday for the first time in years. The

proceedings, in general appearance, lacked any outstanding incident. The Opposition were not aggressively-disposed and had very little material with which to attack the Government, in any case. As usual, Mr. Duplessis exerted himself to the utmost, never absenting himself from the House and attending all Committee meetings. On all matters that came up he spoke with facility and often with considerable effect. But apart from his young lieutenant, Joseph Paul Sauvé, he had little or no assistance in carrying on debate. Brig.-Gen. C. A. Smart was in very enfeebled health and as the days went by the rift between Messrs. Guertin and Barré and the main Opposition group gradually widened. In spite of this, the Government were frequently willing to accept suggested Amendments to Bills put forward by the Member for Three Rivers.

On the Government side Mr. Taschereau and Mr. Stockwell were easily the busiest Ministers, although Mr. Arcand and Mr. Godbout also had many Bills and Mr. Mercier and Mr. David, several of first-rate importance. The most remarkable speeches were those by the Provincial Secretary in support of a Provincial lottery and by the Deputy Speaker, Irenée Vautrin, sponsoring a Resolution calling for more equitable treatment of Quebec in the matter of Federal subsidies. These questions were exhaustively dealt with by the two speakers whose utterances showed diligent research and constructive thought. Another feature was the unusual number of Resolutions presented and adopted urging particular courses of action upon the Dominion Government.

A curious incident that might have affected the Legislature arose out of the election of Mr. Camillien Houde as Mayor of Montreal and the financial difficulties of that metropolis. Towards the middle of April it was actively rumoured in the corridors that Montreal would ask for a special Session to act upon the charter amendments that the new City administration might find necessary and the Prime Minister had intimated his willingness to give sympathetic consideration to any request that might be made to him in this regard. One of the first acts of Mr. Houde was to appoint an Advisory Finance Committee, presided over by the Hon. P. R. DuTremblay, M.L.C. And early in May, 1934, it was reported that, acting on the recommendations of that body, the Mayor had written to Mr. Taschereau asking for a special Session to be held June 6. But what became of the communication was a mystery for, in spite of the fact that he was advised of its purport by Mr. DuTremblay, the Prime Minister never received it and no more was heard of the special Session. The unofficial explanation offered was that Mr. Houde, after dictating the letter, suddenly became uneasy about the reforms advocated by his Advisory Committee and decided to take no chances of some unexpected *coup* being staged before the Private Bills Committee of the Legislature.

The Budget was introduced by the Provincial Treasurer (Hon. R. F. Stockwell) on Feb. 1, 1934, in a speech of which a further account is given elsewhere (see paragraph headed "Budget"). He estimated a Deficit of nearly $750,000 for 1934-35, notwithstanding expenses reduced by more than $1,700,000, the cut being made almost wholly at the expense of the Roads Department. Due to Brig.-Gen. Smart's ill-health Martin Fisher of Huntingdon assumed the rôle of financial critic. He chiefly attacked the Department of Municipal Affairs as being responsible for the ills of the municipalities. The Hon. J. E. Perrault, replying, defended the Government. After some debate, Antoine Elie of Yamaska who, in addition to being Chief Whip, was now the Opposition's agricultural critic, in place of Mr. Barré, moved an Amendment to the Motion that the House go into Committee of Supply, urging the Government to do something to assist the farmers, settlers and young people, generally. This Amendment was lost, the division being 42—9, and the Budget was finally adopted on Feb. 6, 1934.

The following day, Mr. Amédée Caron renewed his annual effort to have the lighting of vehicles made compulsory after dark. Once again the rural Members, led by Pierre Gagnon of Kamouraska, opposed the measure but their Motion to refer it to the Agricultural Committee of the House for study was defeated by the narrow margin of 32—31. Later, second reading of the Bill carried, 35—31, with the Cabinet split wide open, Messrs. Taschereau,

Mercier, David and Francoeur dividing against Messrs. Perrault, LaFerté, Stockwell and Godbout, *pro* and *con*. Dr. Pierre Gauthier of Portneuf arrived late for the division and complained indignantly that it had been brought on contrary to understanding. Supporters of this measure were jubilant with victory at last in sight, but their joy was short-lived for on Feb. 14, the Motion for third reading was defeated 35—43. Fortunately, the tension was relieved by an amusing and unusual incident: acting under excitement, Pierre Gagnon of Kamouraska, leader of the enemies of the light, voted for the Bill by mistake and then succeeded in voting a second time, on this occasion against it. Sharp eyes detected what had happened and a poll of the Members was demanded with the result that the second vote was thrown out. Mr. Gagnon then asked for and received the permission of the House to correct his first vote.

Another hardy annual, the Women's Franchise Bill, received shorter shift than ever, in spite of the fact that the delegation of women who thronged the galleries was more numerous, more representative and with a greater proportion of youth, than on any previous occasion. On Feb. 21, the measure was given the "six months' hoist", 52—25, almost without debate. Dr. Gaspard Fauteux, St. Mary's Montreal, was its sponsor, succeeding Dr. Anatole Plante. A Motion made the following day by the Opposition Leader (Mr. Duplessis) in favour of the better observance of the Lord's Day, was adopted with the approval of the Government, Mr. Taschereau attacking the Federal law as hampering Provincial enforcement, rather than otherwise. On Feb. 28, the Assembly, led by the Prime Minister, protested against an attack made in the House of Commons just previously, by Sam Gobeil, Member for Compton, upon Montreal University for allegedly retaining professors who were "contaminated by atheism and godlessness."

Mar. 5, the 67th birthday of Mr. Taschereau, found him engaged on his weekly visit to Montreal, but the anniversary was observed by the House the following day with the usual marks of esteem, including the presentation of a bouquet of 67 roses. The Resolution of congratulations was moved by the Hon. Honoré Mercier, doyen of the Cabinet, and seconded by Mr. Maurice Duplessis. Incidentally, owing to the length of the Session, the 44th birthday of the Leader of the Opposition coincided with the day of Prorogation, Apr. 20, and he too was accorded an inspiriting demonstration, congratulations being extended by Mr. Taschereau and Brig.-Gen. Smart.

The Legislature adjourned from Mar. 28 until Apr. 3, over the Easter holiday. And Apr. 4 marked the first open rupture between Messrs. Guertin and Barré and the official Conservative group. Mr. Sauvé had moved an Amendment to a Motion made by Mr. Barré calling for a Provincial farm loan system, thus intimating that the views of the Member for Rouville did not conform with Opposition policy, and Mr. Barré, stung by this repudiation, made a vigorous attack on the young Member for Two Mountains.

An important incident was the announcement by Mr. Taschereau, Apr. 11, that he had received a letter from the Dominion Prime Minister (Mr. Bennett) asking for Provincial co-operation in the Federal measures *re* the marketing of natural products and bankruptcy. Mr. Taschereau frankly expressed the feeling that these involved infringements of Provincial autonomy and declared that Quebec would not agree to any concessions. He did not wish it to be said, however, that Quebec was lagging behind the van of progress and he would co-operate as far as he could. Mr. Duplessis agreed that co-operation could not be achieved upon the ruins of Provincial autonomy but thought that there was plenty of scope for it without going so far.

April was rapidly wearing on and still there was no sign of the Sessional work coming to a close; several highly controversial measures had still to be submitted and it seemed likely that all records for lengthy proceedings would be broken. Mr. Taschereau took a decisive step to expedite business, Apr. 13, by announcing that legislation on the municipalization of electricity would be deferred for a year in order that the issues might be further clarified. On Apr. 20, at the eleventh hour, a compromise was effected with regard to a Bill

introduced in the Upper House by the Hon. John Hall Kelly which had for its object, the stimulation of wood-cutting in Gaspé; objection had been taken on the ground that its terms were so general as to apply to other districts where conditions were by no means the same. Mr. Taschereau suggested a limitation of the territory to which the Bill would apply and this was accepted by the Opposition after a stubborn fight to defeat a measure of which keen suspicions had been entertained. A Resolution was adopted by the Assembly, Apr. 14, in favour of permitting the farmers of the Province to make their own cider, but only of the "soft" type. On Apr. 17, another Resolution was adopted, of which Edgar Rochette of Charlevoix-Saguenay, was the sponsor, urging that the name of Jacques Cartier Strait be given to the Channel between Anticosti and the North Shore of the St. Lawrence.

The Legislative Council brought itself to the fore Apr. 19, by its drastic handling of a Bill to amend the Pharmacy Act which required that all medicines should be dispensed by licensed pharmacists. The country merchants wished to be allowed to sell patent medicines and there was also an exception in favour of the hospitals, which, at one time, had been threatened with prosecution for doing their own dispensing work. But the Upper House, when this Bill reached it in Committee, promptly killed every clause proposed by the merchants, retaining only that protecting the hospitals. Incidentally, the Council had been somewhat less active in initiating full dress debates than a year previously although some able addresses were delivered during the Session by the Messrs. John Hall Kelly, Gordon Scott, Thomas Chapais, Frank Carrel, Gerard Power, Elisée Thériault and J. C. E. Ouellet.

Resolutions put forward by the Opposition and killed by the Assembly included an effort by Martin B. Fisher to revive his six months' automobile licence scheme; Mr. Barré's Motion in favour of a relief system for indigent mothers; and a Bill introduced by Mr. Duplessis to eliminate inflation through the watering of stock.

Government measures of interest numbered among them the Labour Contracts Extension Bill of Mr. Arcand, in virtue of which a contract between certain employers and employees in a particular trade and in the same community might be extended to include all employers and employees in that community. There was also Mr. Mercier's Bill to give permanent status to timber limit licences for financial and other purposes; Mr. Taschereau's Bill under which municipal taxpayers more than two years in arrears should pay or be sold out; another Bill by Mr. Mercier, creating a special commission by which all wage scales for lumberjacks should be approved; the Prime Minister's Bill to create a farm for the re-habilitation of ex-convicts; a Bill by Mr. David to authorize the holding of a lottery in the Province of Quebec for the benefit of schools, hospitals and other charitable institutions; also a Bill to extend the delay for the prescription of municipal and school taxes and the compulsory sale of certain immoveables for taxes.

The Legislature was finally prorogued by the Hon. H. G. Carroll on Apr. 20 with an extremely brief and formal Speech from the Throne; at which time 103 Bills passed during the Session were sanctioned. Previously, on Mar. 7, another group of 38 Bills had been sanctioned, making a total of 141 in all.

The Budget Speech. The Hon. R. F. Stockwell delivered his second Budget Speech as Provincial Treasurer in the Legislative Assembly on Feb. 1, 1934, as already mentioned. After brief reviews of world events and of general conditions in Canada during the preceding twelve months, the Treasurer discussed conditions in the Province and gave a detailed outline of the principal activities in the several Departments of Government. The conclusion reached was expressed as follows: "Notwithstanding the Province was faced with a Deficit during the fiscal year under review, most of the appropriations voted under the foregoing headings were spent to support all Departmental activities and the expenses so incurred accomplished more than may be generally estimated by way of diminishing the economic depression under which our Province, in common with the others, has laboured during the past four years. In brief, the struggle by all the spending Departments

to keep within diminished budgetary appropriations, without undue sacrifice of efficiency, has been loyally maintained." The struggle thus referred to had been made all the more difficult by Revenues that fell far below administrative hopes; the main decreases being:

Motor Vehicle Act	$ 250,000
Gasolene Tax	400,000
Succession Duties	900,000
Licences, Permits, etc.	600,000
Liquor Commission (trade account)	2,000,000
Lands and Forests	1,600,000

And these items, together with a corresponding shrinkage in minor revenues, were sufficient to create a substantial Deficit as shown in the following summary:

Ordinary Revenues		$31,023,889 60
Ordinary Expenditures		37,864,797 56
Excess of Expenditures		6,840,907 96
Capital and Other Receipts		60,534,717 09
		$53,693,809 13
Capital and other Expenditures		55,027,742 77
Excess of total Expenditures		1,333,933 64
Cash in Banks, June 30, 1932		3,042,308 45
		$ 1,708,374 81
Warrants authorized but Unpaid—		
June 30, 1933	$6,510,533 09	
June 30, 1932	6,297,428 74	
		$ 213,104 35
Cash in Banks, June 30, 1933		$1,921,479 16

For the current year, Mr. Stockwell assured the House that he hoped to approach much nearer to a balanced Budget, although it would be too much to expect even a modest Surplus. For 1934-35, the Estimates submitted were: Ordinary Revenue, $31,778,012.46; Ordinary Expenditures, $32,520,300.94; and a Deficit of $742,288.48.

During the fiscal year ended June 30, 1933, the Net Funded Debt of the Province was increased by an amount of $16,722,321, due to sales of bonds referred to in the previous Budget Speech. This did not, however, strain the Provincial credit for an issue of $10,350,000 of 4¼ per cent. twenty-five year bonds, offered for public tender on July 19, 1933, after the close of the fiscal year, was met by an accepted bid of 96.31, representing a cost to the Government of 4.497 per cent. In their public offering of the Quebec bonds, noted Mr. Stockwell, one prominent Toronto group commented that "The sound financial position which the Province of Quebec now enjoys is the result of the sane and conservative financial policy which has been followed for many years." And, despite these heavy borrowings, the *per capita* Debt was the lowest of any Province in Canada.

Temporary loans from the bankers, secured by Treasury Bills, the House was likewise told, had been necessarily heavy during the fiscal year in question, pending the long term financing just referred to. A balance of $13,000,000 of these Bills remained outstanding at the close of the period and prior to the financing of July 19.

Education: The Department and Institutions

According to the Annual Report for the year 1932-33 of Cyrille F. Delâge, Superintendent of Education, there was a total of 1,660 school municipalities under the control of 1,847 corporations in the Province on June 30, 1933; of the latter, 1,506 were Catholic and 341, Protestant. Catholic corporations under commissioners numbered 1,463; and under trustees, 43; Protestant corporations under commissioners numbered 197; and under trustees, 144. During the fiscal year 165 Catholic schools were built or repaired at a cost of $1,588,753 and 124 Protestant schools at a cost of $457,620.

There were 7,853 Catholic schools throughout Quebec staffed by 6,748 male and 16,403 female teachers while there were 967 male and 2,507 female teachers in the 711 Protestant schools of the Province. The Catholic institutions were attended by 581,645 children, comprising 295,533 boys and 286,112 girls, with an average attendance of 84.01 per cent. A total of 85,236 children, including 44,390 boys and 40,846 girls, attended the Protestant schools where the attendance averaged 80.27 per cent.

The table of general school contributions for the year 1931-32, given in the Report, showed that the Government contributed $5,816,737, of which the Educational Department paid $3,933,212 and other Departments, $1,883,525. Contributions of municipalities and independent institutions were $28,666,762.

An outstanding and tragic event of the year for McGill University, Montreal, was the death on Dec. 1, 1933, of General Sir Arthur W. Currie, G.C.M.G., K.C.B., LL.D., Principal and Vice-Chancellor since 1920, and Commander of the Canadian Corps (1917-18) during the World War. In reviewing the history of the University during the 13 years of Sir Arthur's principalship, the Annual Report of the Chancellor, E. W. Beatty, K.C., LL.D., for 1933-34, stated that the total annual income of the University and its Colleges had risen from approximately $1,000,000 to $2,000,000; the number of volumes in the libraries totalled 494,506, as compared with 180,503 in 1920; and a large increase in registration had necessitated a strict limitation of the numbers admitted to certain Faculties. The total enrolment for 1933-34 was 3,960 (2,711 men and 1,249 women), of which number 2,635 were degree students. Of these, 1,197 were in Arts and Science, 392 in Engineering and Architecture, 491 in Medicine, 100 in Law, 72 in Agriculture, 50 in Dentistry and 240 in Graduate Studies and Research. Changes in policy and curriculum during the period under review included the institution of new courses in Physical Metallurgy and Radio Engineering; the abolition of the degree of B.Sc. in Agr., offered jointly by the Faculties of Arts and Science and of Agriculture, and a change in the abbreviation of the degree offered by the latter Faculty from B.S.A. to B.Sc.(Agr.); the discontinuation, as a measure of economy, of the Department of Chinese Studies, founded in 1930 under the direction of Dr. Kiang Kang-Hu, and the withdrawal of financial support from the Gest Chinese Research Library; and the creation of a Department of Genetics, with C. Leonard Huskins, PH.D., D.SC., as Chairman. Other appointments to the staff during the year included those of W. H. Brittain, PH.D., as Dean of the Faculty of Agriculture; W. D. Woodhead, PH.D., as Acting Dean of the Faculty of Arts and Science; J. S. Dehan, D.D.S., Chairman of the Department of Prosthetic Dentistry; and G. W. Scarth, D.SC., Chairman of the Department of Botany. An event of interest in the history of the University was the official opening on Sept. 27, 1934, of the Neurological Institute, of which the corner-stone had been laid in October of the previous year. Major donations received during the year amounted to $547,780 and included the following: Walter M. Stewart, to the Neurological Institute, $25,000; J. W. McConnell, to the Neurological Institute, $100,000; Rockefeller Foundation, $231,575; Sir Herbert S. Holt, to the Neurological Institute, $100,000; Anonymous, to the Neurological Institute, $25,000; Carnegie Corporation, for Undergraduates' Reading, $5,000; and the University of Toronto for the Insulin Fund, $31,241. The University conferred degrees on 543 students, 403 men and 140 women, at its two Convocations on Oct. 6, 1933, and May 29, 1934. On the latter occasion the Honorary degree of LL.D. was received by Edgar Douglas Adrian, M.D., D.SC., Foulerton Professor of the Royal Society and Fellow of Trinity College, Cambridge; Frederick Mark Becket, B.A.SC., A.M., President of the American Institute of Mining and Metallurgical Engineers; Seraphin Boucher, M.D., D.P.H., Director, Department of Health, Montreal; Robert Hamilton Coats, F.S.S., LL.D., Director, Dominion Bureau of Statistics, Ottawa; and the Hon. Hugh Edwin Munroe, O.B.E., M.D., Lieutenant-Governor of Saskatchewan.

At the University of Montreal the enrolment of students for the year 1933-34 was 7,687 and a total of 635 graduates and post graduates received degrees at the 1934 Convocation ceremonies. Several appointments of major

importance were made during the period under review: the Hon. Raoul Dandurand as President of the University, necessitated by the widely regretted death of the Hon. F. L. Béique; Victor Doré, as President of the Administration Board, upon the resignation of Ernest Décary; T. Parizeau, M.D., as Dean of the Faculty of Medicine, succeeding L. de Lotbinière Harwood, M.D., (deceased); and the Rev. O. Maurault, P.S.S., as Rector, in place of Mgr. A. V. J. Piette (resigned). The following Honorary degrees were conferred during the year: D.Soc.Sc. upon Colonel Wilfrid Bovey, Head of the Department of Extra-Mural Relations, McGill University, and Léon Gérin, Chairman of the Royal Society of Canada; Agr.D. upon the Hon. Adélard Godbout, Quebec Minister of Agriculture, W. J. Black, Director of the Colonization and Agricultural Services, Canadian National Railways, and Charles-Arthur Fontaine and Rev. Brother Isidore, Professors at the Oka Agricultural School, Oka; and Comm.D. upon Georges Gonthier, Auditor-General of Canada, and Beaudry Leman, Vice-President and General Manager of Banque Canadienne Nationale.

Laval University, Quebec, upon the occasion of its Convocation on May 30, 1934, conferred the Honorary degree of LL.D. upon the Hon. Esioff L. Patenaude, P.C., Lieutenant-Governor of Quebec, and the Hon. Roméo Langlais, Judge of the Superior Court of Quebec; and that of Litt.D. upon Colonel Wilfrid Bovey, Head of the Department of Extra-Mural Relations, McGill University. The University and the staff during the year suffered the loss through death of one of its most valued members, Dr. Arthur Rousseau, for many years Dean of the Faculty of Medicine, and one of the leading physicians of French Canada. The total enrolment and details of degrees awarded its students were not available from the University.

The University of Bishop's College, Lennoxville, recorded an enrolment of 167 for the 1933-34 session and 45 degrees were conferred at the Convocation ceremonies. On June 21, 1934, the Hon. Hugh Guthrie, Minister of Justice for Canada; Stephen Leacock, Chairman of the Department of Political Economy, McGill University; and E. Wyly Grier, President of the Royal Canadian Academy, were made the recipients of the Honorary degree of LL.D.

Nineteen students of Loyola College, Montreal, received the degree of Bachelor of Arts at the 1934 Convocation ceremonies, the total enrolment for the year being 132.

At the School of Higher Commercial Studies, Montreal, there were 1,008 students in attendance during 1933-34, while 38 degrees were conferred by the School as follows: Bachelor of Commerce, 7; Master of Commerce, 26; and Chartered Accountants, 5.

Annual Reports of Departments: The Secretary and Registrar

An increase of 94 Letters-Patent, was issued to corporations under the Great Seal of the Province during the fiscal year ended June 30, 1933, according to the Annual Report of the Hon. Athanase David, Provincial Secretary and Registrar. The total capitalization of $44,264,347, however, showed a decrease of $1,213,018 from the previous year. Revenue derived from fees during 1932-33 amounted to $108,852, a slight decrease of $5,350 from the previous year's total which, in turn, was still lower than the 1930-31 figure. Foreign companies, to the number of 3, were granted licences to carry on business in the Province while Supplementary Letters-Patent were also issued to 76 joint stock companies.

School grants totalling $694,724 were made: $99,335 to boys' academies; $186,307 to small rural or colonization schools; and $409,082 to various other elementary schools. Evening classes in the free night schools numbered 267 with a total enrolment of 1,508 pupils. There were 992 students enrolled at

the School of Higher Commercial Studies in Montreal and another 271 students at the Polytechnical School.

The public health in the Province continued to show an appreciable improvement according to Dr. Alphonse Lessard, Director of the Provincial Bureau of Health, in his Report for the year ended June 30, 1933. The general mortality rate of 14.2 per 1,000 of population in 1926 was reduced to 11.3 in 1932; infant mortality, 142.0 per 1,000 births to 94.2; tuberculosis mortality rate, 125.2 per 100,000 of population to 102.0; and infectious disease mortality, from 154.4 per 100,000 of population to 80.8.

Lands and Forests. The Report of the Minister of Lands and Forests (Hon. Honoré Mercier) for the fiscal year ended June 30, 1933, stated that at the end of the period there was a total of 8,594,830 acres of available farm lots. Departmental revenue for the year totalled $2,815,462 as compared with $4,129,068 for the previous year. The cutting on leased timber limits during 1932-33 was the smallest in 40 years, amounting to 484,255,740 ft.b.m. as compared with 540,053,120 ft.b.m. in 1931-32. Lumber exports to Europe were again diminished on account of increased sales of Scandinavian, Finnish and, particularly, Russian lumber. In addition, the N.R.A. was making the sale of Canadian lumber to the United States even more difficult.

The pulp and paper industry was gaining some activity through the stabilization of prices, according to the Report of the Chief of Forestry Services who dismissed the possibility of making paper from the pine wood of the State of Georgia, claiming that such a scheme was not practical and its putting into effect too difficult and remote. He advised, however, that Canadian companies should cease limiting their output to newsprint and try to turn to cellulose, putting out a greater variety of products. Propaganda made by the Forest Products' Commission for the use of firewood had had excellent results and had helped increase the sale of this fuel by at least 200,000 cords. The Report continued: "The work of inventorying unleased forests was carried on to the same extent as previously. We now have 57 reports covering 28,915 square miles of inventoried vacant forests and, since 1923, we received and accepted 141 reports and inventories of forest limits, covering 40,811 square miles, or 53 per cent. of the total area under licence. Inventories of timber limits, township reserves and of vacant forest now cover 70,854 square miles, representing 30 per cent. of the area south of the 52nd parallel of north latitude, which we have chosen as the northern boundary of the forests of the Province now accessible."

Despite some reduction in the number of pupils, as a result of the depression, the various schools were still functioning regularly. The Laval Forestry School, founded in 1910, had granted 125 forest engineers' diplomas to date; the school for rangers, dating back to 1924, had had 325 pupils and awarded 165 diplomas and the Paper-Making School, also founded in 1924, had given courses to 236 pupils and awarded 41 diplomas.

Despite a 10 per cent. decrease in the volume of cutting there were 1,320 jobbers, or 129 more than the previous season, working in the woods. Cuttings required 16,461 men and 4,497 horses, as against 16,140 men and 5,123 horses in 1931-32. Women and children numbered 722 and 918, respectively, compared to 646 and 741, respectively, for the previous year. A total of 8,650 inspections of cuttings and 1,059 scalings were made by the forest rangers. Paper-making companies held cutting permits during 1932-33 for 70,508 square miles, or 88 per cent. of the total area under licence. Five transfers were accepted during the period and the fees resulting from them amounted to $5,740. Applications for permits to exploit maple groves increased slightly, as 167 permits were issued throughout the year, as compared with 157 for 1932 and 126 for the previous season. In spite of a reduction in reforestation appropriations, from $100,000 to $60,000, a total of 5,229,170 forest tree plants were planted. Shipments from the various nurseries in 1933 totalled 19,058,859 plants. Expenditures of the Forest Fire Protective Service totalled $879,927

and the cost of extinguishing fires was $248,929 with the Government's paying $193,147 and limit holders', $55,782. Permits to burn "slash" numbered 51,308 and a total of 95,508 acres were burned. Total circulation permits issued were 162,239.

But one concession for water-power development was granted during the year 1932-33. The Report stated that the statistics of the Dominion indicated "that on the 1st. of January, 1933, the capacity of the hydro-electric plants amounted, for the whole of Canada, to 7,045,000 horse power. About half of this power, i.e., 3,357,000 horse power, is installed in Quebec, which ranks first in this industry. As compared with the previous year, the increase is 257,000 horse power."

The Department of Roads. An increase of 540 miles in the length of improved roads of all classes maintained by the Department up to Dec. 1, 1933, was shown in the Report of the Hon. J. E. Perrault, Minister of Roads and Mines. The length maintained totalled 15,174 miles, as compared with 14,634 for the previous year. Main highways accounted for 5,614 miles and secondary highways and local roads for 9,560 miles. The number of municipalities benefiting from the Department's maintenance policy was 1,392, in comparison with 1,382 in 1932 and 1,362 in 1931. The Report stated that, in 1933, 15,174 miles of roads had been maintained at the Government's expense; 42.71 miles of permanent paving had been completed; 70.80 miles of preliminary work, accomplished; 157.28 miles of road, constructed; 344 bridges and culverts, rebuilt or repaired; 5 railroad level crossings eliminated; 45.55 miles of miscellaneous roads, improved in various ways; 231,790 pounds of lime and 271 trees, distributed; and 247,325 trees, planted. Winter road circuits, totalling 363.28 miles had been maintained while roads under construction, on Dec. 1, 1933, totalled 261.28 miles.

A total of 536,146 United States automobiles entered the Province during the year with 222,801 or 41.5 per cent. of the total remaining for a period not exceeding 24 hours; while the other 58.5 per cent. included 313,243 cars which stayed for a period not exceeding 60 days, and 122 which remained anywhere from 60 days to 6 months.

A total of 363.28 miles of special road circuits were kept open during the Winter of 1932-33 with 251.10 miles in the Montreal district, 100.68 miles in the Quebec district and 11.50 in the Chicoutimi district. An additional 74.58 miles, besides those previously mentioned, were maintained by the Provincial Transport Company in concert with the Department and interested municipalities, one from Longueuil to Sorel, being 46.58 miles long, and the other, from St. John's and Iberville to the Vermont State line, 28.00 miles.

The Bureau of Mines. There was a decrease of almost 32 per cent. from the previous year in the value of products of Provincial mines and quarries in 1932 according to the Report of the Hon. J. E. Perrault, Minister of Mines, for the year ended June 30, 1933. Employment in the mining industry in 1932 was given to 9,821 men; wages paid amounted to $6,996,431; and the value of the products totalled $24,557,066, a decrease of $11,221,298 from the calendar year 1931. The value of the production of building materials dropped from $18,166,535 in 1931 to $8,097,343 in 1932, a decrease of $9,069,192. Non-metallics, the production of which amounted to $3,671,634 in 1932, as compared with $5,516,899 for the previous year, accounted for a further decrease of $1,845,265. An increase of $693,159 was noted in the production of metallics, however, the total value in 1932 being $12,788,089, as compared with $12,094,930 in 1931.

The Report stated that the recent discovery of high-grade gold ore on the McWatters property stimulated prospecting and exploration in "all that part of Rouyn Township, and caused a renewal of activity on various properties, among others, on the Thompson-Duval group of claims under the direc-

tion of Noranda Mines, Ltd.; on the claims of East Rouyn Gold Mines, Ltd.; Kinojevis Mining Co., under the direction of Consolidated Mining and Smelting Co.; West-McWatters Syndicate; Duncan-Campbell claims; Northern Quebec Gold Mines; Arne Mines, Ltd., and Adanac Syndicate." Again in 1932, as in 1931, gold was the largest contributor to the metallics' class with a record production of $8,291,576. Since June, 1933, there was also a marked improvement in the activities of asbestos mining. The number of mining claims recorded at Amos, Noranda and Quebec were 5,345, 4,691 and 1,175, respectively, making a total of 11,211 as compared with 8,108 in 1931-32. Miners' certificates issued numbered 3,178 while 460 licences were issued and 605 renewed. There were 4 mining concessions registered and 908 transfers of mining rights. The revenue collected by the Bureau of Mines in 1932 totalled $379,466.65, as compared with $297,311.50 the previous year.

In connection with prospectors' classes during 1932-33 a total of 190 lectures were given in 20 localities with an aggregate attendance of 5,114. The Bureau also participated in four Exhibitions in the Province during the year. The Montreal Laboratories received 981 samples and recorded 2,077 assays, tests and analyses, and made 327 qualitative determinations. Results in Thetford Mines were 424 samples, 1,533 assays, tests and analyses, and 71 qualitative determinations. The Bureau of Mines, at Quebec, received 453 samples and made 750 qualitative determinations. During the fiscal year ended June 30, 1933, the Department expended $192,512 on the construction and improvements of mine roads in the counties of Abitibi, Temiskaming and Gaspé to a total length of 111 miles.

Public Works. According to the Report of the Minister of Public Works, the Hon. J. N. Francoeur, the Department's receipts totalled $236,887 and expenses totalled $3,074,811 for the year ended June 30, 1933, the expenditure for the relief of unemployment not being included in these figures. Receipts showed a decrease of $64,082 and of $376,088 in expenses as compared with the previous year. A total of 340 municipalities, including 66 urban and 274 rural benefited from funds under the 1932 Agreement, as shown in the section of the Report dealing with unemployment relief, to a total amount of $11,861,937; the Provincial, Federal and Municipal shares being $4,201,274, $4,278,084 and $3,382,579, respectively. The amount paid in 1932 was $10,052,927, contributed as follows: Provincial, $4,010,087; Federal, $2,945,407; and Municipal, $3,097,433.

Recalling that the number of families reported as having benefited by direct relief or relief works under the 1930 and 1931 Relief Acts stood at 154,849 for 1930 and at 263,637 for the following year, the Report stressed the fact that the 1932 statistical basis had been modified to comply with instructions received from the Federal Government and it gave the following figures for the period covered, in accordance with the new method:

Period	Heads of Families	Dependants	Isolated Cases	Total Persons Assisted
June, 1932	24,026	116,379	5,438	145,843
August 1932	38,167	185,447	4,994	228,608
March, 1933	82,055	389,977	15,771	487,803
June, 1933	69,227	280,596	9,849	359,672

Bridges numbering 24 were built in the Province from July 1, 1932, to June 30, 1933, and on the latter date there were 6 bridges under construction, having a total length of 7,461 feet, the estimated cost of which was $4,237,292. The maintenance service extended its activities to 110 bridges for urgent work, the season on the whole being fairly active.

Grants totalling $199,250.00 were paid to 52 municipalities which installed a fire protection system or improved the one they had in the period under review, while the Inspector-instructor, following his visits to 200 municipalities, recommended that the usual bonus of $50 for maintenance of efficiency, be paid to 15 municipalities, which sum represented another $750. A total of 21,466 fires, resulting in 77 fatalities and in 239 people being injured, occurred in Quebec during the year. Property loss amounted to $13,911,715, with

$10,673,740 of this covered by insurance and $3,237,975 not covered, according to Ernest Lavigne, Provincial Fire Commissioner. These figures represented slight increases over those for the previous year.

The Department of Agriculture. A year of varied activity was shown in the Annual Report of the Hon. Adelard Godbout, Minister of Agriculture, for the year ended June 30, 1933. To the Co-operative Agricultural societies already in existence 23 new ones were added in 1933 making a total of 113 organized with $50 or $100 shares; this total included 31 of the old societies organized on the same basis, the number of the old societies with $10 subscriptions being again reduced. In all there were in the Province 135 societies with an aggregate membership of 19,492. These had during the year total sales of $7,093,305; total purchases of $6,500,307; gross profits of $592,998; total expenses of $632,142; and a general surplus of $46,382. Authorized capital amounted to $795,220 and capital paid totalled $580,053.

The Rural Economy Service continued its task of improving the drainage on farms in various parts of the Province and of classifying natural watercourses, etc. A total of 166 Women Farmers' Clubs, with 6,792 members, as compared with 144 Clubs for the previous year, were operating in the Province in 1933 and considerable progress was reported, particularly in so far as handicrafts were concerned. There were 44 Provincial demonstration farms in operation in 1932, the same number as existed the previous year, but 14 new ones were organized during the Summer and scheduled to start up on Jan. 1, 1933.

Reduced sales of agricultural products and chiefly of animal products featured the period under review, according to the report of the Live Stock Service. There were 1,351 dairy factories in operation, divided up into 635 butter factories, 261 combined factories, 408 cheese factories and 47 skimming posts.

Butter and combined factories in 1932, produced 64,889,670 pounds of butter, worth $12,269,865, as compared with the previous year's total of 69,653,540 pounds valued at $14,980,698. A total of 29,361,119 pounds of cheese worth $2,716,380 was produced in 1932, as compared with the 1931 output of 25,907,681 pounds, valued at $2,905,856.

Reference to the satisfactory progress of Workmen's Gardens was made in the Horticultural Service report. There was a general increase in the number of fruit trees planted in the area of market crops and in the extent of industrial canning; but there were decreases in the tobacco and potato crops.

The year 1932 was most unfavourable for bee-keepers but, despite mortality during the Winter, 94,889 hives were still owned by 7,532 bee-keepers in the Autumn. Apiary inspectors burnt 2,097 colonies belonging to 165 bee-keepers, 50 per cent. fewer being destroyed than in the previous year and an even better result was expected in 1933. Compensation paid by the Provincial Government to bee-keepers whose hives were destroyed only amounted to $12,652, as compared to $30,397 for the previous year, a decrease of 63 per cent. The average quantity of honey was 27.53 pounds per hive with the average number of colonies owned per bee-keeper, as 12.6.

The 1933 maple products' crop attained 5,400,300 pounds of sugar and 844,700 gallons of syrup, or barely 50 per cent. of a normal year's production and, while exports to the United States had decreased somewhat in the previous years, a good start was made on exports to Europe. The quality of the year's crop, however, was better than that of previous seasons.

Only one meeting of the Council of Agriculture was held—in Quebec, on Mar. 16, 1933. There were 89 agricultural societies, with 22,367 members, and 728 agricultural clubs, with a total membership of 38,326 in the Province. The year's Agricultural Merit competitions took place in the third agricultural district, around, and particularly below, the City of Quebec. There were 141 entrants and the gold medal was awarded to Eugène Dumas, of St.

Michel, Bellechasse County, and Georges Edouard Houlé, Nicolet, Nicolet County. The annual prizes and decorations, in connection with the contests, were awarded at the Agricultural Merit Festival held on the Quebec Exhibition Grounds on Sept. 7, 1932. Laurent Chagnon and Jean Charles Tremblay, representing the Coaticook Club, won the Provincial Judging Competition and were given, besides the usual prizes, a free trip to the Toronto Winter Exhibition where they took part in the Inter-Provincial Judging Competition and won this Dominion-wide contest, giving Quebec a much-prized victory for the third time in five years.

The Gross Value of the agricultural production of the Province for the year 1933 as shown herewith was only a very slight increase over the 1932 total:—

Field crops	$67,524,000	Lands	$329,558,000
Farm animals	13,868,000	Buildings	257,918,000
Wool	491,000	Implements and machinery	97,270,000
Dairy products	43,193,000	Live stock	70,968,000
Fruits and vegetables	4,814,000	Poultry	5,054,000
Poultry and eggs	5,559,000	Animals on fur farms	1,517,000
Fur farming	716,000		
Maple products	1,268,000	Total	$762,285,000
Tobacco	270,000		
Clover and grass seed	70,000		
Honey	448,000	Agricultural production	138,221,000
	$138,221,000	Total Wealth	$900,506,000

Colonization, Game and Fisheries. The Annual Report of the Hon. Hector LaFerté, Minister of Colonization, Game and Fisheries, for the year ended June 30, 1933, gave the following statistics for the period covering the Department's work: subsidies, $2,045,170, which included $1,397,018 in ordinary subsidies, $449,411 for unemployment relief, $29,985 for aid to settlers who suffered by fire, $161,756 for the distribution of seeds to settlers, and $7,000 for colonization societies; and a further sum of $1,846,429, of which $22,648 was derived from local contributions, was granted to open 195.62 miles of winter roads, to complete 288.45 miles of road for wheeled vehicles, to repair 577.16 miles of highway, and to build 23,163 bridges and culverts.

A total of 2,242 lots, comprising an area of 205,974 acres, were sold for colonization purposes during the year 1932-33, apart from 2,250 other lots on which settlers selected amongst the unemployed were established under the "Gordon Plan." Letters-patent were issued for 250 lots and cancellations were made annulling the sale of 1,354. Receipts of $31,764.07 were received from the sale of 95,785 acres of land, comprising a total of 1,043 sales. The quantity of clearing continued to increase and, in the period under review, 202,014 acres of land were cleared and sown and 293,700 acres were ploughed. Of these totals, 36,063 were sown and 25,512 acres were ploughed for the first time, and 4,050 settlers were residing permanently on their lots.

General receipts of the Fish and Game Service were $358,300, the main items being club leases, $135,817; royalty on furs, $50,543; and, fishing licences, $46,349. The fur royalty was collected from 284,486 pelts valued at $936,424, showing a decrease of 100,000 skins for the year. There were 2,078 licensed fur farms in the Province, on which were 33,966 silver foxes, 2,635 crossed foxes, 3,895 red, black and blue foxes, 6,827 minks, 1,779 raccoons, 6,395 muskrats, 35 beavers and 350 fishers and skunks.

The first Annual Report of the new Quebec Zoological Gardens, situated at Charlesbourg, a few miles outside Quebec City, showed that the Gardens, which were only opened at the beginning of May, already, by the end of September, had received 96,294 visitors, as many as 7,000 being recorded in a single day. The collection of specimens progressed somewhat slowly at first but the Gardens at the end of the year possessed 164 mammals, representing 27 species and 11 families; 205 birds representing 32 species and 11 families; 5 turtles representing 3 species and 2 families; and 13 fish also representing 3 species and 2 families. There was a considerable increase in the number of

Canadian and American visitors, and in the number of automobiles, coming to the Laurentides' National Park during 1932-33, 58,334 persons having been registered as coming and going at the gates and 11,651 cars as passing through the Park.

The total catch of fish of all kinds during the year 1932 amounted to 919,719 cwts., with a value to the fishermen of $1,451,784, as compared to 850,766 cwts., with a greater value of $1,636,576 in 1931, according to the Report of the Superintendent of Maritime Fisheries. Fishermen's co-operatives continued to operate successfully and during the 1932 season more fish were handled through this medium than ever before. The increase of all varieties of fish caught, over the previous year, was almost 69,000 cwts., with the catch of cod, which was the most important, showing an increase of 38,670 cwts.

Municipal Affairs. Ordinary municipal loans, exclusive of loans effected under the Unemployed Aid Act, amounted to $32,486,877.25 in 1932-33, as compared to $47,832,844.50 for the previous year, according to the Annual Report of the Hon. L. A. Taschereau, in his capacity as Minister of Municipal Affairs. Municipalities borrowed, on account of unemployment, an aggregate additional sum of $11,268,492, ($9,316,425 in 1931-32), making a grand total, with ordinary loans, of $43,755,369, as against $57,149,269 the previous year. School loans made in the fiscal year 1932-33 amounted to $920,344 while, in 1931-32, they totalled $3,091,560. In all, 118 municipal loan by-laws, representing a sum of $32,486,877, received the approval of the Lieutenant-Governor-in-Council during the year, with $20,169,627 for new loans; $11,350,750 for consolidation, and $966,500 for renewals. A total of 42 by-laws or resolutions of municipal councils, representing an aggregate of $11,268,492, as previously stated, were sanctioned by the Lieutenant-Governor-in-Council under the Unemployed Aid Act, while the School Loan total was made up as follows:—new loans, $456,900, consolidation, $445,444, and renewals, $18,000. There were five erections of municipalities, including 1 village and 4 rural municipalities, while 6 annexations for municipal purposes were also proclaimed in the period under review. The names of 4 municipalities were changed by proclamation and there were 2 vacancies filled for mayor and 20 for councillor. Authorization to publish official notices in French only was given to 5 municipalities.

Labour; Workmen's Compensation. The year ended June 30, 1933, marked the submission of the first full year's Report by the Hon. C. J. Arcand, Minister of Labour, whose Department came into existence on Oct. 22, 1931.

An increase of 70 per cent. in the number of inspections of industrial establishments was made during the year as compared with the previous season, the respective totals being 3,718 and 2,195. Considerable work was carried on in the prevention of accidents. Officers of the Department inspected 778 public buildings and a large number of pressure vessels, as required by law. There were fewer inspections of electrical installations owing to the slump in building activity. These last totalled 87,165 with 664 licensed individual contractors, 274 companies and 3,314 electricians as at June 30, 1933. A total of 1,068 industrial establishments, with 30,362 women workers, came under the Women's Minimum Wage Act and 1,634 inspections were made, an average of nearly two for each establishment. Inspection of industrial establishments by districts was as follows: Montreal city, 1,763, and district, 3,253; Quebec city, 848, and district, 1,022; and the Eastern Townships, 4,496.

The Employment Bureaux progressed considerably. Individuals registering totalled 74,542, as compared with 68,455 during the previous year while 26,788 vacancies were brought to the Department's attention, as compared with 19,437 during the previous year. Despite the depression an increase of 3,593 was noted in the number of individuals for whom work was found, the total being 21,006 during 1932-33 as compared with 17,414 during 1931-32.

Labour accidents totalled 467 during the year, including 22 fatal, 266 serious, and 179 slight. There were 360 accidents, including 13 fatal, 168 serious and 179 slight, in the Montreal district alone; 93, including 8 fatal and 85 serious, in the Quebec district; and 14, including 1 fatal and 13 serious, in the Eastern Townships. Departmental receipts amounted to $161,206 and expenditures to $439,548, leaving a deficit of $278,342, as compared with $232,859 the previous year.

Complaints received and actions started for infringement of the Act were more numerous in 1932-33 than during the previous year, according to the Report of the Women's Minimum Wage Commission, which stated:—"The piece work system, which became general after the application of the enactments, tends to destroy some of the principles of social justice and the Commission intends to study this new phase of industrial life in order to put an end to the abuses of the piece system which was the cause of 90 per cent. of the complaints received. We might require that every woman working by the hour, by piece or on bonus, receive the full minimum wage to which she is entitled for every hour passed in the shop." There were 24 enactments in force, covering 1,068 establishments in which 30,362 women and apprentices were employed; the City of Montreal having 770 establishments, employing 19,254; and the rest of the Province, 298, employing 11,108. Eight meetings were held in Montreal and Quebec by the Commission during the year, three for employers, an equal number for employees, and two public meetings, one of which was on the food industry and the other on the shoe and leather industries in general.

The number of accidents in 1933 totalled 30,462, which was a slight decrease from the previous year's figures of 34,414, according to the Sixth Annual Report of the Quebec Workmen's Compensation Commission. Employers reporting to the Commission numbered 8,239, as compared to 7,979 in 1932, while the total claims were as follows:—medical aid only, 15,711; compensation, 14,767; and death, 165. Benefits awarded in 1933 totalled $2,473,213.77, with $1,636,828 going for Schedule 1 Compensation, $430,555 for medical aid, and $405,831 for Schedule 2 Compensation. The total administration expenses amounted to $247,584, of which $35,973 was payable by employers under Schedule 2. More than 75 per cent. of these expenses were represented by salaries. As the Commission was faced with a provisional deficit at the end of 1932 of $829,179 in the accident fund, it was obvious, the Report stated, that temporarily, at least, some reduction of benefits awarded under the Act had to be authorized if the accident fund were to remain solvent. "As a result, the 1931 Act was correspondingly amended." Changes made provided that the first seven days of disability only entitled the workman to compensation under certain conditions; that the minimum indemnity per week per workman earning that much should be reduced from $12.50 to $10.00; that a corresponding reduction in pensions should be made; and that medical choice should rest with the Commission, etc. The Commission allowed $7,900 to the Quebec Pulp and Paper Safety Association and $44,500 to the Quebec Association for the Prevention of Industrial Accidents in the course of the year. No additional amounts were set aside during 1933 for a disaster reserve, due to lack of finances, and the amount required for the payment of pensions as established by the organization's actuarial tables was, on Dec. 31, 1933, $1,636,136, apart from temporary rents shown in a separate table. The provisional deficit of $829,179, as at Dec. 31, 1932, was reduced to $82,018. The deficit for the year 1933 amounted to the nominal sum of $1,181 while the total net deficit, as at Dec. 1, 1933, was $83,199 which, the Report pointed out, was a tremendous advance over the final statement presented at the year of 1932. Total expenses for the year were $2,337,601 and total revenue, $2,336,419, leaving the above deficit of $1,181 for the year.

Since Sept. 1, 1931, 77,610 accidents had been reported as follows: 1931, 12,734; 1932, 34,414, and, 1933, 30,462. The Commission issued 75,160 cheques during 1933 or a daily average of 256. The assessment roll comprised 13,087 notices and the Commission handled an average of 952 pieces of mail daily.

The total benefits awarded by the Commission during the year 1932-33 amounted to $2,473,214 and the administration expenses, representing 9.989 per cent. of all benefits awarded, totalled $247,594. Stressing the difficulties under which the Commission laboured in 1933 the Report, in conclusion, stated:—"We have not only been faced with several disastrous losses, but payrolls have fallen off to approximately half their former figure. It appears however, that industrial conditions are definitely improving and the difficulties of administration which have faced us during the past two years will gradually disappear.

The Quebec Liquor Commission. The Twelfth Annual Report of the Quebec Liquor Commission, submitted by the President, L. B. Cordeau, revealed a drastic falling-off in operations and in the sales of nearly all grades of wines and spirits in general and of champagnes and French wines in particular. In June, 1932, the existing Treaty between France and Canada was repealed and changes in the general tariff resulted in a very large increase on all grades of French wines which, in some instances, reached 500 per cent. or even more. During the year 1932-1933 total sales of wines amounted to 856,734.5 gallons with Canadian wines accounting for 399,684.4 gallons, or 46.6 per cent. Current assets were listed at $3,328,879 and current liabilities at $502,507 in the Commission's balance sheet. The following are the comparative sales, in gallons, for the period under review:—spirits, 504,043.6; wines, 856,734.5; and wines and spirits, 1,360,778.1. These figures, for the previous 9 years, revealed a decrease of 29.8 per cent. in spirits, and an increase of 19.6 per cent. in wines, according to statistics. Inventories taken at the end of the year showed liquor stocks valued at $1,764,180, and materials and supplies, $241,354. On May 1, 1933, there were 235 members of the staff in the Montreal district, as compared to 237 at the same date the previous year, and, in the Quebec district, 82 against 80. The number of breakages in the stores totalled 2,241 bottles as compared to 4,082 in 1931-1932.

Inspections of breakages, cash audits and inventories, respectively, were 555, 1,039 and 886, for Montreal, and for the City of Quebec, 24, 348 and 301, respectively. Inspections of Stores' Superintendents totalled 1,579, and Assistants, 1,138, while 20,926 miles were travelled by automobile and approximately 1,681 by rail by the Superintendents in making their inspections. The Federal Government, for Customs and Excise duties, received from the Commission $4,094,030, less re-imbursements, which was a decrease of $1,727,859 from the previous period's total of $5,821,889.

Figures of the Paris Information Bureau show that, in 1932-33, 922,631 litres valued at 5,551,564 francs were sold, as against 2,652,019 litres valued at 25,893,981 francs in 1931-32. Wine purchases represented 72.78 per cent. and spirits 27.22 per cent. during the period under review. Orders through the Paris office were distributed, by countries, as follows:—France, 59.85 per cent.; Spain, 15.72 per cent.; Italy, 9.88 per cent.; Portugal, 9.72 per cent. and, other countries, 4.83 per cent.

A total of 1,631 permits for the Montreal district and 265 for that of Quebec were granted during the year. In the same period 11 municipalities in the Province repealed a prohibition by-law. In 1933, 2,883 samples were registered representing 8,034 reports of analyses which, valued at ordinary commercial rates, reached the sum of $109,230. The Police Department began the year with 1,963 complaints and 4,016 were registered during the year for a total of 5,979. A decrease of 1,227 from the previous season's total of 7,206 was shown in the 5,979 complaints of which latter total 4,921 were disposed of entirely, 51 actions were pending in court and the year ended with 1,007 complaints on hand. All of these above figures are for the district of Montreal. The year's total complaints in the Quebec district were 3,248. On May 1, 1932, there were 739 complaints on hand, and 2,509 were received during the year. Of the total 2,911 were completely disposed of, 62 were pending in court and there remained 275 at the end of the year.

The Province of Quebec

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. Esioff Léon Patenaude

The Taschereau Ministry (Liberal)

Prime Minister, Attorney General and Minister of Municipal Affairs	The Hon. Louis Alexandre Taschereau
Minister of Lands and Forests	The Hon. Honoré Mercier
Minister of Roads and Mines	The Hon. Joseph Edouard Perrault
Provincial Secretary	The Hon. Louis Athanase David
Minister of Public Works, Game and Fisheries	The Hon. Joseph Napoléon Francoeur
Minister of Agriculture	The Hon. Adélard Godbout
Minister of Labour	The Hon. Charles Joseph Arcand
Provincial Treasurer	The Hon. Ralph Frederick Stockwell
Minister of Colonization	The Hon. Irénée Vautrin
Minister without Portfolio and Leader of the Legislative Council	The Hon. Jacob Nicol
Minister without Portfolio	The Hon. Emile Moreau
Minister without Portfolio	The Hon. Joseph Henry Dillon

Speaker, Legislative Assembly ..... The Hon. Télesphore Damien Bouchard
Speaker, Legislative Council ..... The Hon. Hector LaFerté

Heads of the Administrative Services

Clerk of the Executive Council	Alfred Morisset
Clerk of the Legislative Council	R. A. Benoit
Clerk of the Legislative Assembly	L. P. Geoffrion
Deputy Attorney General	Charles Lanctot, K.C.
Deputy Provincial Secretary	A. Desmeules
Assistant Provincial Treasurer	A. P. B. Williams
Provincial Auditor	Edgar Vézina
Provincial Archivist	Pierre Georges Roy
Deputy Minister of Lands and Forests	F. X. Lemieux
Deputy Minister of Colonization, Game and Fisheries	L. A. Richard
Deputy Minister of Agriculture	J. Antonio Grenier
Deputy Minister of Roads	J. L. Boulanger
Deputy Minister of Public Works	Ivan Vallée
Deputy Minister of Municipal Affairs	(Vacant)
Deputy Minister of Labour	Gérard Tremblay
Director of Public Health	Alphonse Lessard, M.D.
Director of Mines	A. O. Dufresne
Superintendent of Education	Cyrille F. Delage
Secretaries of the Department of Education	Lionel Bergeron and Dr. Walter Percival

THE PROVINCE OF NOVA SCOTIA

A General Election; A Liberal Government

At the Nova Scotia General Election of Aug. 22, 1933, the Harrington Government was defeated and the Liberals, headed by Angus Lewis Macdonald, came into power. Prorogation of the 1933 Session had taken place on May 17, and two months later the Prime Minister (Hon. George S. Harrington) announced the date of the Election, dissolution of the Legislature taking place the day (July 13) after the announcement. At this date 56 candidates were already in the field, the Liberal selections having all been made except for the constituency of Colchester, and the Conservatives having but six candidates to name. At dissolution the Government held twenty seats; the Liberal Opposition, sixteen; and there were four vacancies. A Redistribution measure of the 1932 Session reduced the membership of the Legislature to thirty. The Government Party put up a strong defensive fight, much being made of their social legislation since coming into power in 1925. The Prime Minister issued his Manifesto on July 22, in which the question of Old Age Pensions was conspicuous. Mr. Harrington stated that his Government had always been in agreement with the principle of the system: it had been solely a question of providing the necessary money. He explained that they had put through the Legislature, during the 1931 Session, a Bill providing for such pensions in the Province but that it was to await the will of the Governor-in-Council for proclamation, and he continued: "This measure, entitled 'The Nova Scotia Old Age Pensions Act', will be proclaimed immediately following the prorogation of the next Session of the Federal Parliament and, in any event, not later than July 1, next, when an Old Age Pensions system will be brought into force in this Province." Other points in the Prime Minister's Manifesto were his Party's promises:

(1) To give free school books to those whose parents could not provide them; (2) to co-operate in making Nova Scotia self-sustaining by increasing production of the land and by providing an exportable surplus; (3) to encourage the establishment of by-product plants in relation to the apple crop, and of plants for the canning of small fruits and vegetables; (4) to co-operate in any action to supply all Nova Scotia's domestic requirements, and to extend markets for Nova Scotia fish, fresh and manufactured, throughout the Dominion, the Empire and the world; (5) to continue to give close and effective attention to county and local roads; (6) to place electricity at the disposal of all Provincial householders and of all who required it in their working lives; (7) to contribute directly and indirectly, so long as the problem continued, to the alleviation of distress, and to continue to re-assert Nova Scotia's rights within Confederation; and (8) to continue protection for the person and property of the citizens of Nova Scotia, giving to the rural districts of the Province police protection equal to that enjoyed by those living in the urban centres. The Manifesto further stated: "that after years of the severest test to which the modern world has been subjected, there is general agreement that this Province is

in the soundest position of any Province in Canada and that the credit of the Province is excellent, with our securities ranking with those of the Dominion itself;" that the Nova Scotia school curriculum, completely revised and rebuilt, "now compares favourably with curricula in other parts of the Dominion;" that there was a pronounced quickening of activity in Nova Scotia lumbering, and the Government were looking forward with confidence to a revival of the industry in the Province and prosperity for those engaged therein; that action taken at Ottawa at the instance of the Harrington Government "has served during a period of world depression to save the Nova Scotia coal industry from bankruptcy and ruin;" that "our *per capita* cost of Government (and therefore our Provincial taxation) is the lowest in all Canada with the single exception of Prince Edward Island;" and that in the previous fiscal year Nova Scotia had made the best showing of all Canadian Provinces with her budget practically balanced. "Had we not provided for increases for such desirable social services as Mothers' Allowances, education and health, we could have shown a substantial surplus."

Liberal attack against the Government centred on their "prodigal expenditure;" the "doubling of the Provincial debt;" and "increased taxation." Mr. Macdonald (Liberal Leader) advocated freer trade and toward this end promised an inquiry into Provincial economic conditions. He denounced the Government's attitude toward the relief situation. The Election lists also became the object of attack by Liberal speakers. They claimed that there was incomplete registration and that the omission of numerous names had occurred. To this the Prime Minister issued a statement on July 26: he believed, he said, that "the situation had been greatly exaggerated for partisan purposes; it was the determination of his Government, however, that the electoral lists for the ensuing Election should be the most complete and accurate lists ever employed in any election in Nova Scotia. The lists upon which the registrars are now working," he stated, "are merely preliminary lists and naturally incomplete . . . full opportunity will be afforded to all qualified persons to have their names added, and to have stricken off names improperly on the lists." Again when it was brought to the Government's attention that thefts of voters' lists had taken place, the Prime Minister gave instructions that a constable should be posted to protect the lists in each constituency. "Restoration of responsible Government" was the keynote of the Liberal Leader's Manifesto, published on Aug. 1. He promised:

(1) "Fair and just franchise laws under which every voter would be given every opportunity to have his or her name on the election lists;" (2) to institute a thorough and independent inquiry or commission "into the conditions which cripple the economic life of Nova Scotia," composed of the best men available within and without the Province; (3) to present the findings of the Commission to the Dominion Government, fighting at the same time with every possible weapon to secure equality of opportunity for the people of Nova Scotia; (4) to press for such adjustments of tariff as would restore trade and encourage commerce and thereby materially assist in restoring employment in Nova Scotia; (5) to urge, as immediate and temporary measures for dealing with unemployment, the adoption of as large a programme for the construction of necessary public works as the finances of the Province would permit, and to press for direct relief wherever employment could not be provided; (6) to co-operate fully with the Dominion Government in bringing an unemployment insurance scheme into effect; (7) to arrange immediately upon election, payment of Old Age Pen-

sions; (8) to conduct an investigation into the matter of the reserve set up by the Workmen's Compensation Board, with a view to ascertaining whether the Act could be made more beneficial to workmen and employers alike; (9) to strive to make every possible improvement in the Provincial educational system, by endeavouring to adapt the instruction given in the schools to the life and interests of the communities where the pupils lived, and to provide free school books for pupils of the Public Schools up to and including Grade VIII; (10) to create a Department of Labour under a Deputy Minister; (11) to investigate the operation of the coal and steel industries with the aim of placing them on a sound foundation, and of securing an adequate livelihood to the people employed in them, seeking additional markets for their products, as well as taking steps to facilitate the development of other mineral resources of the Province; (12) to reorganize the Department of Agriculture, in an endeavour to make the Province more self-sustaining in so far as the consumption of agricultural, dairy and poultry products was concerned; (13) to repeal Bill 151, so-called, which the Liberal Party firmly believed to be injurious to the lumber industry, and to enact such legislation as would ensure the preservation and development of Provincial forests to the greater advantage of the people of Nova Scotia; (14) to urge upon the Dominion Government such measures as would ensure greater prosperity of the fishing industry and to co-operate with that Government in the formulation and operation of these measures; (15) to secure wider and better markets for all products, particularly coal and other minerals, fish, lumber and agricultural products; (16) to give proper attention to the secondary roads of the Province; (17) to eliminate the dust nuisance on gravel roads and to embark, as soon as possible, on a gradual programme of hard-surfacing the main highways of the Province; and (18) to create an active and progressive tourist bureau; and to reduce motor licence fees.

The Manifesto claimed that the Rhodes-Harrington Governments had had eight Deficits in the eight years of their administration. For the year 1933 the estimated Deficit was $464,000, and the Manifesto predicted that this amount would be largely exceeded. While every other Provincial Government in Canada had reduced their expenditures, the Manifesto stated, the Rhodes-Harrington Governments had failed to balance their budgets in a single year, yet "they have not neglected to impose new taxes and increase old taxes." The Manifesto promised "the Liberal Party will practise prudence in the handling of public money so as to ensure value for every dollar spent." It promised they would do away with waste, extravagance and duplication of services. The Liberal Party believed, it said, that a balanced budget was necessary to a sound financial position, and they felt that by proper economies a balanced budget could be obtained.

In all, 66 candidates entered the field: 30 Liberal, 30 Conservative, 3 United Front, 2 C.C.F., and 1 Labour. The Prime Minister had, as his opponents in Cape Breton South, Malcolm A. Patterson, Liberal, and a C.C.F. representative; and the Liberal Leader, in Halifax South, ran in opposition to the Hon. G. H. Murphy, M.D., C.M., Minister of Public Health. A three-cornered contest also took place in Cape Breton North and Halifax Centre; and, in Cape Breton East, a four-cornered battle, James B. MacLachlan (United Front), who had figured conspicuously in the 1923 strike in the Cape Breton collieries and steel plant, having there, as opposing candidates, a Conservative, a Liberal and a C.C.F. representative.

While the result of Aug. 22 was a disappointing one to the Government Party, it was not, perhaps, wholly unexpected. Though they had, by constructive administration, brought Nova Scotia through one of the worst periods in the world's history, without impairment to the Province's credit, they had gone to the country with a majority of only four Members, one more than their majority after the General Election of Oct. 1, 1928, so it was obvious, that whatever the outcome, the contest would be a close one. Their appeal to the electorate was mainly on their administrative record; they promised no great change in policy, as they were chary of embarking, to any extent, on fresh schemes which experience had taught them could not be carried out without increasing Provincial expenditure and this at a time when no great increase in revenue was visible meant but one thing, additional taxation. On the other hand, the manifold promises of the Liberal Party, reflecting optimism in so many directions—social and industrial—with an accompanying balanced budget, could not fail to appeal to the people who had passed through several years of economic depression.

After a lapse of eight years the Liberals were again in power in Nova Scotia. In 1925 they had laid down the reins of Government to a Conservative majority of 37 in a House of 40 seats; in 1933 they resumed control with a majority of 14 in a reduced membership of 30. The Prime Minister was re-elected with two of his Ministers, five going down to defeat. The five who failed to be elected were: the Hon. Obed P. Goucher, Minister of Agriculture; the Hon. John Doull, Attorney-General; the Hon. J. Frederick Fraser, Provincial Secretary-Treasurer; the Hon. G. H. Murphy, Minister of Health, who was conquered by the Provincial Liberal Leader; and the Hon. Albert Parsons, Minister without Portfolio, who lost to A. S. MacMillan, the Liberal House Leader, in Hants. The Conservative Leader won by a scant majority of 107; the Hon. Joseph MacDonald, Minister without Portfolio, by 118; and the Hon. Percy C. Black, Minister of Highways, by 164. Third-party candidates were not a factor in the balloting, with the exception, perhaps, of James B. MacLachlan. The votes were distributed as follows: Conservative, 145,107; Liberal, 166,170; United Front, 2,469, and C.C.F. 2,336.

The Macdonald Administration. The Government resigned at noon on Sept. 5, 1933, the Leader of the Liberal Party waiting upon His Honour the Lieutenant-Governor about the same time and submitting his selection for Cabinet posts. Colonel Harrington had tendered his resignation a week before but had been asked by His Honour to retain office until the 5th. In announcing his Cabinet (see the end of this Section for list) the new Prime Minister, the Hon. Angus Lewis Macdonald, proclaimed the putting into force, by the Government's first Order-in-Council, of the provisions of the Old Age Pensions Act of 1931; the Board, with E. H. Blois as Chairman, however, was not set up until Nov. 27.

The initial act of the Government toward the fulfilment of their pledge of economy was the appointment of three members of the Cabinet as a Committee whose work was to ascertain means of reducing Government expenditure. Early economies, as announced, included the following: abolition of two Deputy Ministerial posts, Agriculture and Health; the

reduction in the number of Liquor Commissioners from two to one; the replacement of the Provincial Fire Ranger Force by a new and less expensive policy which, the Prime Minister claimed, would in no way endanger the preservation of Provincial forests; the discontinuance of the auditing of the Public Accounts by the firm of P. S. Ross and Sons (appointed by the Harrington Government), the Prime Minister stating that an audit before the end of the fiscal year could not possibly be a complete one and, therefore, it would be a saving of expense to postpone further auditing until after Sept. 30; the dismissal of three members of the staff of the Nova Scotia Agricultural College at Truro: the Provincial Agronomist, the Assistant Farm Superintendent, and the Provincial Botanist and Lecturer in Biology—the Government terming their services as superfluous.

Another prominent dismissal was that of Miss Ann Allan, R.N., Superintendent of Nurses at the Sanatorium at Kentville, whose case later became the object of a Government inquiry owing to the agitation of several important Provincial organizations on her behalf. Lieut.-Col. J. Welsford Macdonald, K.C., of Pictou, who was appointed to investigate the case upheld the partisanship grounds for her dismissal. He stated: that evidence heard indicated that Miss Allan had discussed voting with several members of the Hospital staff and that others had heard Miss Allan discuss politics with some of the patients. The Commissioner pointed out that Miss Allan's own testimony showed that she was a political partisan. "Her statements that she had expressed the opinion that it would be 'nice' or 'fair' to vote 'for the Government who are giving us our bread and butter,' were very inciduous and plausable ones, and clearly indicate the object that she was endeavouring to attain. Therefore, considering the evidence quoted herein, and the evidence as a whole, I have to find that Miss Allan acted in a partisan manner, politically, on and before the 22nd day of August, 1933, while acting as Superintendent of Nurses in the Nova Scotia Sanatorium."

Another investigation instituted by the Government opened several months later. It was an Inquiry into the Franchise Act which had been the object of much Liberal criticism during the Election campaign. The Report of the investigation, which focused chiefly upon "the conduct of certain returning officers, registrars and revising barristers in various parts of the Province" and which aroused considerable discussion throughout the Province during its proceedings, was tabled in the House during the 1934 Session and created a somewhat lengthy debate. (See under "Session").

In September the Government announced that two representatives would be sent to England to seek markets for Provincial products, particularly lumber and apples, and that the Nova Scotia Marketing Act was to be put into force and a Marketing Board set up which would be attached to the Department of Agriculture. W. McL. Robertson, who investigated market potentialities for lumber in Great Britain, presented his report to the Government early in 1934 when, at a conference between Government officials and representatives of the industry, a committee of four was appointed, which later drew up a platform with the following objectives: (1) elimination of unfair trade practices; (2) standardization of price levels; (3) standardization of quality of products; and (4) co-operative marketing and, perhaps, co-operative shipping. The Minister of Agriculture, the Hon. John Alexander McDonald, sailed for England on Jan. 27, 1934, on behalf of the fruit growers and shippers, to visit the chief marketing centres of Glasgow, Manchester, Liverpool and London.

Relief matters had early secured the attention of the Macdonald Government. At a meeting of the Cabinet on Sept. 15, it was decided to contribute $100,000 to the City of Halifax for Winter relief; this was to be contingent upon equal grants by the Federal and Civic Governments and the expenditure, the Government hoped, would be counter-balanced partially by estimated savings of $84,000 in Departmental costs, mainly Lands and Mines, where it was hoped to cut expenses to about $80,000 for 1934. The discontinuance of the Forest Ranger Service, to be replaced by a smaller organization, already mentioned, was a step toward this reduction.

Other pressing appeals than that of Halifax were made to the Government with regard to relief. The Executive of the Union of Nova Scotia Municipalities on Oct. 14 asked in an interview with the Prime Minister that the Provincial Government assume the municipal governments' portion of relief. They pointed out that labour and wages should replace, wherever possible, the existing system of doling out direct relief, especially in Cape Breton where they claimed that the existing direct relief system could no longer be carried by the towns. Some of the main suggestions of the Union were: that Provincial coal mines should be opened by the Government, even if the mines paid only wages to workmen; that trees and shrubs should be cleared from sides of highways outside towns and that construction of sidewalks should be proceeded with, giving employment throughout the Winter months; that the Provincial Government, in co-operation with the Dominion Government, should develop the lumber industry, every effort being made to secure an English market for pit-props and railway ties; and that consideration should be given, in paying direct relief, to amounts for rents, physicians' fees and drugs.

The Provincial Prime Minister, in his turn, made an appeal on May 21, 1934, to all those receiving relief in the Province. He asked them to do their best, by producing their own vegetables and other eatables, to make themselves as self sufficient as possible. He explained that while the Dominion Government was hopeful that with the expiry of the 1933 agreement, the necessity of Federal contribution toward direct relief would have disappeared, on account of the Province's statement that Nova Scotia still urgently needed such assistance, the Federal Government was passing an appropriation Order-in-Council to have the 1933 agreement continued with respect to direct relief for the months of April and May, 1934. Mr. Macdonald pointed out how the accumulative burden of direct relief was becoming greater and greater upon all Governments, and while the amount spent in direct relief had been somewhat less during the previous Winter as compared to the amount for other years, nevertheless a substantial sum had still to be spent.

One of the major problems confronting the Government for some months was a serious wage dispute in the Cape Breton coal mines. The trouble originated in the late Autumn of 1933 with a proposal by the joint Receivers—Liquidators of the Nova Scotia Steel and Coal Company that the men should accept a wage scale decrease. On Dec. 22, following conferences at which were present members of the Cabinet, the Receivers—Liquidators, and representatives of the U.M.W. and the A.M.W., the men temporarily resumed work in three of the four mines which had been closed down during November. In the meantime the Government appointed an expert, Thomas Graham, to investigate the status of the Company. Mr. Graham's report, tabled in the Legislature on Feb. 15 during the 1934 Session, and which had been declared unsatisfactory by the U.M.W. when presented at a tri-party Conference in Halifax, showed that reduced cost of production was absolutely necessary to prevent the closure of the Acadia Coal Company's* three Pictou County mines. The Operators immediately announced that the reduced wage scale would go into effect on Mar. 5 and they made an earnest appeal to the men to co-operate. Requests from the Mayors of Stellarton, New Glasgow, Westville and Trenton to the Provincial Government for further financial aid to the Operators of the Company were definitely refused. A similar request from the District Executive of the U.M.W. had met the same fate. On Feb. 28, 1,300 workers at the collieries laid down their tools and walked out in protest against the reduced wage scale and two weeks later (Mar. 13) the Receivers—Liquidators of the Company submitted to the Court an application for the abandonment of two of the Company's mines. In the lengthy document accompanying the request was the statement that the Operators could not afford to continue to conserve "this worthless property at the expense of the whole Company. The

*Note.—Controlled by the Nova Scotia Steel and Coal Company Limited (in Receivership and Liquidation).

report of the expert, Mr. Thomas Graham," it stated, "clearly indicates the worthlessness of the property under the existing conditions and the abandonment of the Allan mine and Thorburn mine seems to be the solution of the difficulty." The Court's decision on Mar. 29 was to the effect that before the Acadia Coal Company's management could abandon two of its three mines, permission would have to be sought once more from the Court owing to dissenting opinions by the six judges, two having held that permission should be granted, two having been opposed and two having declared final consideration should be deferred until there was some change in the situation at the mines. At this date all three mines were still idle, the men not having returned to work since they quit the pits on Mar. 1. Finally, on May 9, 1934, with the decision of the members of the A.M.W. to join the U.M.W. miners who had previously abandoned their resistance, the long wage deadlock was definitely broken and the men returned to work.

Meantime, the Macdonald Government, in conjunction with those of the other Maritime Provinces, had decided, in the early part of October, 1933, to contribute financial support to the Maritime Transportation Commission which had been resurrected; this Commission, which had been appointed in 1925 and had functioned until 1931 when Government financial support was withdrawn, had as its object the giving to shippers of the three Provinces full benefits of the Maritime Freight Rates Act. On Nov. 6, Mr. Macdonald conferred with the other two Maritime Provinces on the question of their claims in accordance with the Duncan Commission Report. Later, a preliminary statement was issued to the effect that representation was to be made by the three Provincial Governments to the Dominion for full implementation of the Duncan Commission Report in regard to larger subsidies for the three Provinces; this was not to be done, however, until Nova Scotia and New Brunswick had completed their individual studies of the Provincial situation. More than two months later (Jan. 15, 1934,) Mr. Macdonald, addressing the Maritime Provinces Association of Montreal, summarized the objects of the proposed Provincial Royal Commission of Economic Inquiry, one of the major items in his Election platform, and which the Government finally set in motion on July 27, 1934, when the personnel was announced as follows: John H. Jones, Professor of Economics and Head of the Department of Commerce of Leeds University, England (Chairman); Alexander S. Johnston, C.M.G., Ottawa, a former Deputy Minister of Marine; and Harold A. Innes, PH.D., Professor of Economic Geography in the University of Toronto. Shortly after, hearings opened and on Dec. 7, 1934, the Report was made public.

The Provincial Economic Inquiry. The Report of the Royal Commission, appointed by the Macdonald Government on July 27, 1934, to investigate the economic situation of the Province, was made public on Dec. 7. The Commission (see above paragraph for personnel) under the Public Inquiries Act was to inquire fully into: (a) the effect of the fiscal and trade policies of the Dominion of Canada upon the economic life of the Province of Nova Scotia; (b) the adequacy of existing financial arrangements between the Dominion of Canada and the Province of Nova Scotia in the light of the powers, obligations and responsibilities of the Dominion and Province respectively under the Federal constitution; and (c) any other matter affecting the economic welfare of Nova Scotia, or its relation to the Dominion of Canada. In addition the Commission was instructed to recommend such measures "as may contribute to the removal of any economic, financial or other disability found to exist and such policies as may tend to promote the economic advancement of Nova Scotia."

The Commissioners reported: (1) that the Canadian Tariff policy had reacted unfavourably upon the economic development of Nova Scotia; (2) that representatives of industries concerned should appeal "to the Tariff Commission and endeavour to secure either a reduction of tariffs" or "an extension of the system of drawbacks on the materials that they buy;" (3) that the Dominion Government should consult the Provinces before deciding upon changes in the tariff policy; (4) that a Dominion Trade Commission,

supplemented by regional commissions or courts of referees, could eliminate unfair trade practices. The Commissioners drew attention to the closed factories in the Province, particularly in Amherst, and they recommended a special investigation into this situation.

With regard to financial arrangements, the Commissioners stated that the existing arrangement between the Dominion and Provincial Governments was not satisfactory—that the subsidy being received was seriously inadequate. They believed that the subsidy should be the subject of a periodic review . . . that it should be determined by fiscal need carefully defined . . . that population was not a satisfactory criterion . . . that the Provinces might be relieved of the burden of certain social services . . . and that the fiscal need of the Province was determined by the effect of Dominion tariff policy.

The Commissioners recommended the establishment of a permanent Civil Service in Nova Scotia; the establishment of an Economic Council, composed mainly of a group of business men; the vesting in the Provincial Government of the complete control of fisheries, on condition that the Dominion Government allocated each year to the Province the amount necessary to maintain and develop efficient administration; and greater co-operation between Federal and Provincial agriculture. A majority report opposed the operation of the steam trawler on the fishing banks. With regard to transportation the Commissioners recommended the establishment of closer contact between the Province and the Canadian National Railway system. They believed that the Dominion Government should assume full responsibility for the cost of old age pensions and also for unemployment insurance, in so far as Government contribution was concerned when the measure came into force. They also recommended: the creation of a branch for Municipal affairs in one of the existing Provincial Departments; the enacting of legislation for co-operative organizations, particularly among farmers and fishermen; the shortening of the working day in industry throughout the Dominion; particular encouragement to the tourist industry; the establishment of a national park; the extension of electrical services in rural districts; free medical and dental treatment in remote districts of the Province.

The 1934 Session of the Legislature

The thirty Members of the Legislature were sworn in at noon on Mar. 1, 1934, by His Honour, the Lieutenant-Governor, the Honourable W. H. Covert, a few hours before the formal opening of the First Session of the Fortieth Legislative Assembly, when Lindsay Cann Gardner (Yarmouth) was approved as Speaker. The Speech from the Throne gave a brief survey of Provincial conditions and of legislation to be presented for approval. It referred to the promised independent Commission to inquire into business and commercial conditions in the Province in order to ascertain in what particulars the economic progress of Nova Scotia was being hindered. The Report of W. M. Robertson, a former Member of the Assembly who had been sent to Great Britain in the interests of the Provincial lumber industry, was promised during the Session. The Speech spoke of the better working arrangement that had been arrived at in the coal mining fields of Inverness and Pictou Counties; the engagement by the Government of an expert to investigate the condition in the latter and the guaranteeing of the deficit resulting from the continuation of the former wage scale during the period of inquiry which had resulted in the expert's report that he had not been able to find that the industry was capable of carrying a higher wage scale than that proposed by the operators. Taken as a whole, there was evidence of a decided increase in the coal production of the Province.

The Speech spoke of the abundant harvest, the excellent dairy situation, and the increased prices received for a number of farm commodities, the apple crop, unfortunately, although one of the largest ever harvested, did not participate in this increase. A visit had been paid to Great Britain by the Minister of Agriculture in the interests of the apple growers, and a Director of Marketing had been appointed, who, it was stated, would bring to his task wide experience and expert knowledge. The Speech also dealt

with the following: the low prices for fish commodities; the putting into force of the Old Age Pension Act; the unemployment relief situation, improvement of the Provincial highways; the enlargement of the scope of the motor transportation Inquiry; the report of the Committee on Studies, appointed in 1930 by the Council of Public Instruction to revise text-books; the stimulus of the gold mining industry by higher prices; the Franchise Inquiry; the abolition of certain offices and the consolidation of others; the prospect of creating a Department of Municipal Affairs; the Housing Inquiry; and the Provincial contribution to the Maritime Transportation Commission.

Proposed legislation included an effort toward the improvement of the lumber industry, an investigation into possibilities of an eight-hour working day, and an Amendment to The Gasolene Tax Act. As to Provincial financing, a measure was to be introduced to deal with the Sinking Funds of the Province. Others were to amend The Audit Act, The Companies Act, The Security Frauds Prevention Act, The Public Service Act, Provincial Revenue Acts, and other Public Statutes. Owing, the Speech said, to the accumulation, without being funded, of current and outstanding obligations, prior to the assumption of office by the Government, it had been necessary to negotiate for a loan of $5,000,000, mainly for retiring those obligations. Finally, reference was made to the joint effort of the three Maritime Provinces for the implementation of the financial terms and the assessments authorized by the Duncan Commission. With regard to Public Accounts, regret was expressed that they showed the largest deficit as between receipts and expenditures of any fiscal year of the Province, a deficit considerably over a million dollars greater than estimated.

J. S. Smiley, (Lib., Cumberland) and L. D. Currie, (Lib., Cape Breton E.) were the mover and seconder, respectively, that an Address in Reply to the Speech should be presented. Mr. Smiley pointed out that the Government expected that the recommendations of the Commission on Provincial economic conditions would afford a basis upon which to act in an effort to stimulate business and to promote the general progress of the people of Nova Scotia. He commended the Government's engaging Prof. N. McLeod Rogers to prepare a brief for submission to the Commission. Referring to the scope of the Inquiry he stated: "Although the determination of tariffs falls within the powers of the Dominion they vitally concern this Province, and the Commission should be specifically instructed to investigate thoroughly the operation of all classes of tariffs as they affect Nova Scotia." Speaking of the revival of the Maritime Transportation Commission which had been created in 1925 and discontinued in 1931, Mr. Smiley predicted that it would be of much benefit to Maritime shippers, declaring that the existing need of such assistance was urgent. Mr. Currie spoke, particularly, of mining conditions and the possibilities of an eight-hour day for certain industries in the Province. Steps should be taken, he declared, in the colliery areas in order to provide work for the many young men who had never been able to find employment—there were 800 such men between the ages of 18 and 24 who had never done a day's work. He advocated an adjustment of the Workmen's Compensation Act by which provision would be made for minimum payments, and suggested the appointment of two trained fishery representatives, whose work would parallel that of the Agricultural representatives; the organization of the fishermen into vocational groups would do much, he thought, for the betterment of the industry.

Colonel George S. Harrington (Opposition Leader) resumed the Debate. He quoted from the Liberal platform as to that Party's pre-Election promise of a balanced Budget, expressing the hope that the Government would effectually keep their pledge. He predicted that the Public Accounts would show a large reduction in Provincial revenue—his Government, he stated, at retirement from office had found a noticeable falling off in Succession duties, in coal royalties, and in the receipts of the Liquor Commission. He regretted that the Government had not had the money to put into force immediately the Old Age Pension Act. He accused the Government of being allied with the forces of disorder, criticizing the pledge of the Prime Minister to abolish the Mounted Police. He attacked "the wholesale dismissals" by the Government

since their assumption of office; in particular he deplored the case of Miss Ann Allan, Superintendent of Nurses at the N.S. Sanatorium. He defended the Franchise Act, claiming that the Commission of Investigation was "the most inquisitorial" that one could imagine. . . . (*The Halifax Chronicle*, Mar. 3, 1934). Referring to the repeal of Bill 151, he explained that the measure provided that certain regulations might be imposed on the cutting of timber, but that it never had been proclaimed—it was enacted merely as a safeguard in the event of an attempt to transgress sound practice and jeopardize the future of the Province's wealth—it had actually, he said, no effect upon the welfare of the industry. He could not see the necessity for the proposed investigation into an eight-hour day. One of the items in the Liberal Party's pre-Election programme, was legislation for an eight-hour day—that pledge, he asserted, should be kept. As for the Inquiry into Economic conditions, the Opposition Leader declared that trade all over the world was subject to restrictions. He believed that the Minister of Agriculture would agree that the action of Great Britain under the Imperial Economic Conference Agreements made at Ottawa, to give the Annapolis Valley apples preference, was an aid to the industry even though of a highly artificial nature, and the preference certainly should not be abolished. Lumbermen, he claimed, believed that the Ottawa Agreements had been more influential than any steps taken by the Provincial Government in bringing improvement to the market, and this had been accomplished by artificial means. So too, the mining industry, which was of such supreme importance to Nova Scotia, lived by virtue of the 75 cent-per-ton duty and was marketed through the use of vast sums of money from the Federal Treasury—these certainly, he pointed out, were not natural lines of trade. The same application might be made to the steel trade. Who, he asked, were prepared to seek abolition of the duties on coal and steel?—if there were any, then those persons must be prepared, he declared, to take care of the numbers employed in those industries in the event of abolition taking place. Speaking of the Government's proposed investigation into the coal-steel industry as contained in their pre-Election Manifesto, he asked when it was to take place. He spoke of the existing trouble between employers and employees at Acadia, Inverness and elsewhere, stating that the Government had not a full appreciation of the situation. He pointed out that if machinery was being installed at Inverness by the Provincial Government, then the same policy should be pursued at the Acadia Collieries in Pictou County. While he did not wish to complicate an already difficult situation, he contended, however, that consideration should be given to the report of the Government's expert, who stated that suggestions of the workers that a reduction in the costs of operations was essential if mining at Acadia was to continue, were of value.

The Prime Minister (Hon. Angus L. Macdonald), speaking on Mar. 7 for the first time in the Legislature, defended the Government against the Opposition Leader's criticism. He particularly upheld the Government's action in instituting the Inquiry into the economic affairs of the Province, claiming that though the Duncan Commission had investigated claims on behalf of Maritime rights, it had not touched the tariff question; this, he believed, was essential to the welfare of the Province. His Government, he said, had no intention of destroying the work of the Duncan Commission, but rather of filling in gaps of omissions. "Our destiny has been thwarted," he said, "by restrictions on trade and commerce. How great these restrictions are, will be determined by the Economic Inquiry." Mr. Macdonald discussed other items on the Government's programme. He stated that 6,000 cheques in payment of Old Age Pensions would be mailed to those coming within the Act on Mar. 31. He explained the dismissal of employees from the Government's Services as being due to direct proof of partisanship or need to economize. He cited the Department of Agriculture where the staff had been cut from 172 to 101; the Highways Department, where 42 were dismissed and 7 appointments made and 10 more planned; and the Department of the Attorney-General, where a saving of $77,000 had been effected through reorganization. As to Opposition accusations that beer was being imported from New Brunswick in competition with Nova Scotia beer, he said that beer

imports during the last three months of 1933 amounted to $20,000, while in the fiscal year ended Sept. 30, 1933, during the Harrington Administration, beer worth $300,000 had been brought in from Ontario and Quebec. Defending recent Provincial bond sales of $5,000,000, he explained that the greater part of the amount was to pay off liabilities of the former Government, largely to retire an over-draft.

Other speakers to the Motion were: D. F. Fraser (Lib., Pictou), Joseph MacDonald (Con., Cape Breton N.), M. E. McGarry (Lib., Inverness), F. W. Baldwin (Con., Victoria), Percy C. Black (Con., Cumberland), Gordon B. Isnor (Lib., Halifax N.), and the Hon. A. S. MacMillan (Minister of Highways), when the debate ended and the Motion to Address a Reply to the Speech was adopted without a division of the House. Mr. MacMillan declared that the Government in instituting an Inquiry into economic conditions in the Province were merely carrying out the pledge in 1925 of the Hon. E. N. Rhodes, then Prime Minister of Nova Scotia. He did not understand, he said, Opposition reference to partisanship dismissals by the Government when flagrant instances of similar occurrences took place during the Conservative *régime*. Speaking of finances, Mr. MacMillan referred to the $875,000 additional subsidy and the revenue from the sale of liquor as having been found insufficient to pay old age pensions. With regard to the proposed borrowing to pay old age pensions he declared that it was advisable; that the institution of the system meant bringing into the Province $2,000,000 in Federal money as the latter's share. It was better, he said, to divide the 25 per cent. share over all the Province than to have to pay under the existing system for the upkeep of those who would benefit. Municipalities, he stated, were also paying out funds for the same purpose and in future would be relieved of this burden.

Public Accounts: The Budget Speech. The Public Accounts for the year ended Sept. 30, 1933, as tabled in the House on Mar. 6, 1934, by Mr. Macdonald (Prime Minister and Secretary-Treasurer), showed a Deficit for the year of $1,618,883. The Actual Expenditure was $8,845,795, and the Actual Revenue, $7,226,911. The Estimated Expenditure by the former Government (Harrington) was $8,338,210, and the Estimated Revenue, $7,873,831, with an Estimated Deficit of $464,378.

Mr. Macdonald in presenting his first Budget to the Legislature on Mar. 23, estimated for a Deficit of $1,297,959 for the fiscal year ended Sept. 30, 1934. This amount, he explained, included $311,736 for Sinking Fund purposes. The Estimated Revenue was $8,052,020, and the Estimated Expenditure, $9,038,243. Due to the increase in the Public Debt the interest charges for 1934 would be $206,000 greater, Mr. Macdonald explained, than in the previous year; new school text-books would total $184,000 more, and the amount for Old Age Pensions would be $341,000. Total reductions in Departments he gave as $300,000. The Gross Estimated Revenue for the year 1933-34 was $8,951,195; and the Gross Expenditure, $10,249,334. The following table was given by Mr. Macdonald as a comparison:

	Estimated—1934		1933	
	Revenue	Expenditure	Revenue	Expenditure
Attorney-General	181,950	276,790	199,053.34	713,210.86
Education	199,000	1,413,572	131,328.49	1,190,286.41
Department of Highways	2,681,415	3,120,030	2,423,759.17	2,917,879.09
Agriculture	8,425	260,997	5,943.30	314,054.41
Department of Public Health	519,300	1,613,298	552,718.31	949,575.53
Provincial Secretary	1,487,200	34,275	1,271,906.43	32,505.91
Provincial Treasurer	2,361,420	1,905,569	2,193,763.04	1,776,919.98
Public Service	15,910	145,012	14,330.00	274,302.44
Works and Mines	593,600	239,230	429,848.54	252,611.13
Department of Labour	3,800	29,470	4,260.65	20,507.19

New taxation included an increase in the gasolene tax, new taxes on small companies hitherto untaxed, and additional taxes on chain stores, telegraph and telephone companies, and on banks and other financial organizations. Surveying the Government's efforts at economy the Prime Minister summed up a total reduction in expenditures of $309,000. He explained also that "there is a possibility, a probability even, that under the terms of the Duncan Com-

mission Report the long deferred adjustment of Federal payments to this Province as recommended by that Commission will be taken up this year." During the Dominion-Provincial Conference in January (1934) the Governments of the three Maritime Provinces had discussed the matter with the Dominion Prime Minister (Mr. Bennett) and notification had reached the Provincial Government that the Dominion Cabinet would arrange for the presentation of further claims. Should success attend their request, he promised that the Deficit would be reduced accordingly. He further stated that "it is the intention of every Departmental head after the Session has ended to review again in complete detail the work of his Department with a view to further economies and progress towards a balanced Budget. That is the aim of this Government. That is the goal towards which we shall strive, and we shall reach it unless some unforeseen matter develops in 1935 or 1936, or before we have to face the electors again."

G. Y. Thomas (Con., Colchester) opened the debate on the Budget. Others taking part during its four days' duration were: J. D. McKenzie (Lib., Annapolis); Joseph MacDonald (Con., Cape Breton N.); Geoffrey Stevens (Lib., Halifax East); Colonel Harrington (Opposition Leader), and Mr. Macdonald (Prime Minister), when the Motion that the House resolve itself into Committee of Supply was passed without a vote being recorded on Mar. 27.

In opening his attack on the Budget, Mr. Thomas expressed amazement that the Government had failed to keep their promise. He could not understand, he said, the new Administration's counting on increased revenues when the Provincial income the previous year had shrunk by $227,000. He failed to understand the Government's expectation that the gasolene revenue could be increased by nearly $400,000 when six months of the year had already passed. He queried the income side of the Provincial Treasurer's Department for an estimated $118,000 when this item had been only $1,200 the previous year. He had grave doubts that the expected revenue would materialize. He commented on the estimated savings, including $78,000 in the Attorney-General's Department, at the expense of the forest protection services; on $53,000 in agriculture when farmers needed every assistance they could get; and he had grave doubts as to the advisability of saving $45,000 in the Health Department. He questioned the accuracy of the amount of $272,000 for new school books. From this total, he stated, $97,000 should be subtracted for books sold the previous year, and $58,000 on the 1934 sales, making the cost $117,000, between which, and $272,000 there was a considerable difference. Automobile licences had been cut 20 per cent., Mr. Thomas said, but this would be more than paid for by the Gas tax which was up 33⅓ per cent. according to the Estimates. The speaker expressed his approval of old age pensions but he scored the Government for the method they had used in this connection during the Election campaign, the Prime Minister (Mr. Macdonald) having pledged, he said, at a meeting in Sheet Harbour, that old age pensions would be paid for out of the million dollars he would save in salaries and travelling expenses alone.

In his defence of the Government, J. D. McKenzie (Lib., Annapolis) questioned that the Prime Minister had promised to balance the 1934 Budget. He had promised to work toward that end, he claimed, and he quoted from the Manifesto of his Leader in this connection. The only trouble with Nova Scotia, he said, was a financial one. Governments, he pointed out, were taking 97 per cent. of money available leaving only 3 per cent. for business enterprises. Mr. McKenzie believed that it was a mistake for the Province to carry as an asset the payment of $673,218 for direct relief, such bookkeeping was advisable, he said, with capital expenditures but not with payments of this kind. He stated that interest costs and sinking fund were consuming more "to-day" than the actual maintenance costs and that they were growing at such a rapid rate that they would consume the whole revenue, not only for highways but for other purposes.

The Opposition Leader, surveying the Budget, called it a breakdown on pre-Election pledges, a betrayal of the people of the Province who, instead of receiving an expected balanced Budget, were faced with increased taxation.

In order to keep the Deficit down to $1,297,000 it was necessary, he said, for the Government to estimate for an increase in taxation receipts and he cited the Gasolene Tax increase of $400,000, an amount which he was doubtful of their receiving. He noted also that the Government expected an increase in coal royalties of $150,000—this meant, Colonel Harrington stated, an increased output of one million tons of coal which he did not think probable. He believed, he said, taking all things into consideration, that the Deficit would be nearer $2,000,000. Drawing attention to the drop in sinking fund figures he believed that this would affect the sale of Government bonds.

The Prime Minister on Mar. 28 defended the attacks on the Budget. He laid at the door of the former Administration the 1934 Deficit. His Government, he pointed out, would have come within $100,000 of balancing their first Budget if the former Government had not exceeded their Estimated Deficit by $1,200,000. He stated that when a new Government found themselves faced with a Deficit equal to 20 per cent. of the Gross Revenue of the Province it was impossible in one year to turn that Deficit into a surplus. Mr. Macdonald declared his Budget to be a fair one; if it could be reduced every effort of his Government would be toward that end, he promised. The time was not far distant, he hoped, when the Province would have a series of surpluses. The Sinking Fund in 1934 was smaller, he explained, because in two cases sinking funds already established "were now large enough to retire the Debt at maturity"; and, furthermore, he did not consider it advisable to set up sinking funds if it meant increased borrowing to do so. The Opposition had no justification in predicting an increased deficit, he said, since there were indications that it would be reduced, particularly if the Province were granted more money in respect of its just claims by the Dominion.

Legislation and Incidents of the Session. On May 2, 1934, the Legislature concluded its two months' work. The Lieutenant-Governor in the Prorogation Speech summarized the more important of the legislation enacted: this affected Provincial industries, taxation, labour and living conditions. Cheques in payment of old age pensions had been issued for the first time in the Province one month after the opening of the Legislature, a measure of the 1931 Session, put through the Legislature by the Harrington Government, providing for such action. The most outstanding enactment of the new Legislature in 1934 was the Gasolene Control Act which classed the commodity as a public utility and gave the Board of Public Utilities power to regulate, distribute and sell gasolene.

New taxation took the form of an increase in the tax on gasolene from six to eight cents per gallon, the Government expecting that the Control Act, by creating competition and reducing the price to the consumer, would offset the increased tax. The other taxation measures included the Provincial Revenue Corporations Act, providing for new taxes on chain stores, small companies, telegraph and telephone companies, and increased levies on banks and other financial organizations, from which an additional revenue of $100,000 was expected.

The Coal Mines Regulation Act stipulated that coal companies should check off dues for no more than one union and that this union should be that having the greater number of members. An Amendment to an existing Act arranged for the appointment of a Deputy Minister of Labour, Bill No. 151 was appealed by another Amendment.

An Amendment to the Nova Scotia Marketing Act, 1933, provided for the establishment of a Marketing Board; for the promotion of production, marketing and distribution of natural products and the by-products thereof as the Board might deem expedient; and for the co-operation with any marketing board or agency established under any existing or future law or the Dominion of Canada for the purposes of regulating the marketing of natural products, etc.

Another Act provided for the appointment of an Advisory Board to assist in the administration of the Agricultural College. A Private Act confirmed the appointment of the existing Governors of Dalhousie University

and it also ratified the acts done by the Board up to the time of the 1934 enactment; this measure was an outcome of a question introduced during the Session as to the legality of the existing Board of Governors of the University.

A Resolution introduced by the Attorney-General, Hon. J. H. MacQuarrie, asking the Federal Government to subsidize pulpwood exports from Nova Scotia to the United Kingdom markets, was adopted by the House on the last day of the Session (May 2).

In tabling, on Apr. 23, the Report of the Inquiry into the Nova Scotia Franchise Act by the Hon. Hugh Ross, who had acted as Commissioner to investigate certain circumstances surrounding the General Election of 1933, the Prime Minister declared that it contained a record of incompetence and of planned corruption. The Opposition Leader, replying on behalf of his Party to the Prime Minister's indictment, stated that the Act was a good one and that it had accomplished its purpose in that it brought out more people to vote than ever before in the history of Nova Scotia, while it also had disclosed that more people were registered in 1933 than on any other occasion; and he gave it as his opinion that perhaps the time had come when a system of compulsory voting should be introduced into Nova Scotia. He characterized the Inquiry as one not ordered to investigate the Franchise Act, but only the acts of some of the Election officials. The conduct of the Inquiry he termed an imposition, since under British justice no person accused or suspected of having committed an offence could be dragged into court and forced under oath to convict himself out of his own mouth. He claimed that the net result simply revealed that some of the Election officials had not performed their duties properly. He termed the whole Inquiry a political and partisan one. The Report contained no recommendations but embraced much evidence by witnesses. The cost of the Inquiry, as estimated by the Leader of the Opposition, was between $10,000 and $20,000. The Report was to be considered by the Government during Recess with a view to preparing legislation for submission at a future Session which would aim at preventing a repetition of the practices censured by the Commissioner.

Mr. Macdonald (the Prime Minister) gave on Apr. 30, a brief outline to the House of a Government housing scheme to be undertaken, in an experimental way during 1934. The occasion was during the consideration of a supplementary estimate of $200,000 for the purpose. Administration was to be under the control of a Commission which would supervise incorporation of companies to erect buildings. The Opposition Leader gave his approval of the scheme, though he warned against what he termed might be danger of speculation in land which might increase in value if it were taken over by the Government. The Prime Minister had in view the using of large areas of land owned by the Dominion and Imperial Governments in Halifax, where the initial amount of $200,000 would be spent, the plan to become effective in other Provincial centres later on, where certain lands might be expropriated.

Reports of Departments: Agriculture

Crop production for the year 1933 was a little lighter than in the previous year, and the quantity harvested was considerably reduced, due to frosts on turnips and late dug potatoes. The farmers, however, were amply supplied with fodder from their carryover of the previous year, but it was expected that there might be a shortage of feed in the Spring of 1934, stabling of cattle having been necessary on account of early frosts. The apple crop was the largest ever produced in the history of the Province, amounting to approximately 2,500,000 barrels, double the crop of 1932. In some cases there was a definite improvement in prices for farm products: hogs advanced about 50 per cent., although the price had not by any means become normal; lambs and wool doubled in price; potatoes and vegetables advanced from 25 to 30 per cent.; apple prices while opening strong slumped in 1933 and prices in 1934 did not advance. In 1933 there were 178 agricultural societies report-

ing with a membership of 5,632, a decrease, as compared with the previous year, of 11 societies, and of 826 members. An increase of nearly 700 members of Boys and Girls Clubs brought the total membership for the Province in 1933 up to 4,132, Nova Scotia leading the Dominion in the number of Club members per population, besides being well up in proportion to the population with the United States, where Club work had been conducted for many years. Five Women's Institutes were organized during the year, bringing the number up to 126, with a membership of 2,969. The Nova Scotia Agricultural College reported an enrolment of 49. The Land Settlement Division of the Department of Agriculture showed that in 1933 16 families, comprising 47 persons, were settled in the Province, holding amongst them $29,000 in cash.

Field Crops

Crop	Acreage 1932	Acreage 1933	Total Yield Bus. 1932	Total Yield Bus. 1933
Spring Wheat	3,300	3,400	71,000	77,000
Oats	85,100	87,500	3,013,000	3,222,000
Barley	7,900	7,900	229,000	233,000
Buckwheat	4,100	4,400	99,000	107,000
Mixed Grains	4,800	5,000	171,000	172,000
			Cwt.	Cwt.
Potatoes	20,600	20,500	2,122,000	1,866,000
Turnips, Mangels, etc.	9,500	10,700	2,575,000	2,964,000
			Tons	Tons
Hay	400,200	400,200	720,000	696,000
Fodder Corn	500	500	4,400	4,000

Live stock statistics for 1933 were: cattle and calves, 233,000; sheep and lambs, 117,100; swine, 39,200; horses, 41,590; and poultry, 1,172,690 (at June). The year 1933 was a disappointing one for dairy products, prices and weather being unfavourable. Total production of creamery butter was 6,087,819 pounds, an increase of 1.99 per cent. over 1932. No cheese was manufactured. The following table gives the area, yield and value of field crops for 1934 (Third Estimate):

	Area Acres	Bush. Per Acre	Total Bush.	Value Per Bush.	Total Value
Spring Wheat	3,700	15.4	57,000	$1.09	$62,000
Oats	89,400	32.1	2,873,000	0.55	1,580,000
Barley	7,900	25.1	198,000	0.77	152,000
Buckwheat	4,200	20.2	85,000	0.82	70,000
Mixed Grains	4,900	34.1	167,000	0.65	109,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	21,900	112.0	2,453,000	0.50	1,227,000
Turnips, etc.	11,200	254.0	2,845,000	0.40	1,138,000
		Tons	Tons	Per Ton	
Hay and Clover	411,000	1.16	477,000	18.10	8,634,000
Fodder Corn	600	9.00	5,400	4.25	23,000

Lands, Forests and Mines. Serious destruction to the forests of Nova Scotia by fires during the year 1933 was recorded in the Report of the Department for the fiscal year ended Sept. 30, 1933. A number of the fires occurring on barren areas were believed to have been purposely started in order to create blueberry barrens. As a large part of the areas destroyed were being reforested, it was almost impossible to determine the value of the growth destroyed, and it was pointed out in the Report that these lands were as important to the Province as those containing merchantable timber. During the year 470 fires burned an area of approximately 22,652 acres, of which 1,941 acres, or 9 per cent., contained merchantable timber. The largest fire on this type of land, caused by children, burned approximately 300 acres in the vicinity of Sydney. About 2,275 acres, or 10 per cent. of the burned area during the year, consisted of cut overland; 3,833 acres, or 17 per cent., of young growth; and the remaining 14,602 acres, or 64 per cent., of barren land. Other causes of fire besides children included: burning brush, berry pickers, railway, sawmills, smoking, incendiary, campers, house, fishermen and un-

known. The estimated damage amounted to $31,212, and the cost of fighting the fires was $34,881, not including the salaries of forest rangers.

It was estimated by the Ranger Force of the Lands and Forests Department that, weather conditions being favourable, the lumber cut for the season of 1933-34 would be at least 215,000,000 f.b.m.—an increase of over 300 per cent. above that of the previous year. This increase in production, it was stated, would mean the employment of at least 13,000 men in the woods and mill operations during the Winter and Spring, which would materially relieve the unemployment situation in the Province. During the year 1933 steps were taken to stimulate former markets for lumber products, and to find new ones. This particularly applied to the British Isles, at one time the largest importer of Nova Scotia forest products. As a follow-up of the Imperial Economic Conference held at Ottawa and in an effort to revive the lumbering industry of the Province, representatives were sent to England to inquire into the requirements of their markets. The result was an increased shipment during the Summer to Great Britain. The amount of forest products manufactured in the Province for the calendar year 1932 (the latest for which statistics are available) showed a considerable decline: lumber was down 32 per cent.; pulpwood for the local market, 44 per cent., and for export 20 per cent.; staves and heading, 38 per cent.; hardwood ties, 74 per cent.; woodenware, 21 per cent.; and the largest decrease, boxes and crates, 78 per cent. This was slightly offset by an increase in the production of mining timber of 16 per cent.; shingles, 2 per cent.; laths, 35 per cent.; and miscellaneous products, 94 per cent. The number of mills in the Province during 1933 was 584; the production of lumber amounted to 67,447,000 feet. The Government continued to carry on their extensive educational programme of reforestation. Fifty thousand willow cuttings of the hoop varieties were imported from Denmark in the Spring of 1933, and were planted on the four-acre flat along the river; this action was expected to become of great economical importance to the apple industry in the manufacture of barrels.

Nova Scotia fisheries recorded a larger catch, combining all kinds, in 1933 than in the preceding year, but the value of the product as marketed was slightly below that of 1932, according to an advance Report of the fisheries of the Province by the Dominion Bureau of Statistics. The total value of production for 1933 was $6,010,601, as compared with $6,557,943 in 1932. These totals represented the value of the fish as marketed, whether sold for consumption fresh or canned, cured, or otherwise prepared. The lobster fishery, of chief importance, had a marketed value of $1,884,715, followed by cod, of $1,442,599. The total quantity of fish of all kinds, including shell fish, taken during the year 1933 was 2,155,217 cwt., with a value at the point of landing of $3,405,902, as compared with a catch of 1,957,136 cwt., and a value at the point of landing of $3,856,255 in 1932. The capital investment of the fisheries of Nova Scotia in 1933 was valued at $8,221,108. This total comprised $5,837,660 as the value of the vessels, boats and gear in the industry, and $2,383,448 as the value of capital of the canning and curing establishments. The total capital showed a decrease of $1,048,063, both divisions showing lower values, as compared with the preceding year. Employees in the catching and landing of fish numbered 17,133, and the number of employees in establishments was 3,420.

The coal mining industry of Nova Scotia gave employment to an average number of men totalling 11,884 in 1933, as compared with 12,711 in the previous year, according to the Annual Report on the Mines for the year ended Sept. 30, 1933. The total number of man-days worked was 1,862,169, as compared with 2,063,955 in the previous year. The output of coal showed a decrease of 112,208 tons, the total for the year 1933 being 3,663,671 tons of 2,240 pounds. The sales amounting to 3,277,251 tons, showed a decrease of 82,028. Consumption in Nova Scotia was 880,215 tons, a decrease of 17,619 tons. Shipments to the United States totalled 35,116, as compared with 40,130 for 1932; and to the St. Lawrence, 1,625,986 tons, a decrease of 23,769 tons. The Dominion Iron and Steel Company were supplied with 288,233 tons, an increase of 42,216. The total consumption of 288,233 long tons was

consumed as follows: 50,096 tons bunker for time charter boats; 164,470 in the manufacture of coke; and 73,667 by steel plant for other purposes. Manufacturing statistics in the industry showed the following: coke, 114,210 net tons; petroleum coke, 291 net tons; tar manufactured from coal, 1,885,514 imperial gallons; and benzol gas for motor fuel, 135 imperial gallons. In the gold industry twelve major operations were in progress during 1933, initial production to take place in 1934. The production for 1933 was 1,335 ounces, an increase of 394 ounces, as compared with 1932. Other products were: 453,287 silicate brick manufactured; 306,331 tons of crude and calcined gypsum mined and shipped; and 34,005 tons of salt production.

Highways; Motor Vehicles. The Highways Department continued during 1933 its new policy of constructing permanent hard-surfaced roads. During the year 1933 a total of $1,744,355 was expended for maintenance, with $4,689,608 as capital outlay. The Annual Report for the year 1933 placed the Highway accounts on an accrual basis, as recommended by P. S. Ross and Sons, Accountants. The tourist industry showed a decline of 106,844 in the number of visitors from 210,000 during 1932.

During the year 1933, 40,648 motor vehicles were registered in Nova Scotia, a decrease of 365 as compared with 1932; and 15,843,685 gallons of gasolene were used for taxable purposes. On Mar. 8 an Order-in-Council was passed authorizing the refund of the tax paid on gasolene when used for prospecting or the development of mines of gold and all associated metals under mining lease. Prosecutions for violation of traffic offences totalled 826 under the Motor Vehicle Act. Accidents reported during the year 1933 totalled 1,149; the number of deaths resulting from motor vehicle accidents declining from 48 to 41, while the number of persons injured was 791, as compared with 806 for 1932.

Health and Social Services. The Report of the Department of Public Health for the fiscal year ended Sept. 30, 1933, described the general health of the Province as having been maintained at a satisfactory level during the year. With the exception of respiratory diseases, other than tuberculosis, and venereal affections, two groups only showed increases in deaths over the previous year. These were cancer and degenerative diseases of the heart. Deaths of mothers from causes surrounding childbirth were fewer. All the communicable diseases, with the exception already stated, showed definite decreases, and in deaths from accidental causes a reduction of 27 was recorded. During 1933 there were 109 more deaths from cancer than from tuberculosis. To assist in the control of this disease the Provincial Pathological Laboratory was available, and a cancer clinic had been established in connection with the Victoria General Hospital. The various affections of the heart claimed 862 lives in the year 1932 (latest year for which statistics are available); from diphtheria there were 11 deaths; from 470 cases of scarlet fever, 18 deaths; from measles, 6 deaths; and from whooping cough, 33. Infant mortality showed a decrease in 1932, there being 849 deaths recorded. Complications of childbirth claimed 53 mothers.

The total number of accidents of all kinds reported to the Workmen's Compensation Board in 1933 was 5,307, a decrease of 40 as compared to the previous year. The cost of these accidents under Part I of the Act was estimated at $818,500, irrespective of administration expense and cost of safety associations. For industries under Part I of the Act the total income (actual and estimated) for the year 1933, amounted to $622,710 and the estimated expenditure, $907,710, showing a deficit for the year's operations of $285,000. At the end of the year the following were being paid compensation: 539 widows; 860 children under 16 years of age; 72 dependent mothers; 21 dependent fathers; 11 other dependants, and 860 workmen disabled for life (partially or wholly).

The third year's operation of the Mothers' Allowances Act closing on Sept. 30, 1933, showed an expenditure of $341,929 with costs of operation of

$16,129. Families assisted during the year numbered 1,158, comprising 3,487 children.

The Report of the Inspector of Humane Institutions for the year ended Sept. 30, 1933, showed that the general hospitals coming under inspection provided treatment for 25,629 patients. The institutions for the insane and poor cared for 3,099 persons. At the Nova Scotia Sanatorium and local tuberculosis units 639 patients were treated. The Grace Maternity Hospital gave accommodation to 598 mothers and 587 children, and 1,039 were admitted to the Children's Hospital. A total of approximately 31,494 persons received care or treatment in the establishments subject to inspection. In the general hospitals, the hospital days totalled 345,516 and the surgical operations numbered 11,371.

According to the 33rd Annual Report of the Penal Institutions there were admitted to the various County jails and to the Halifax City Prison, during the year ended Sept. 30, 1933, 4,225 prisoners. Of these 4,029 were males and 196 females. At the beginning of the year 332 males and 20 females were in confinement.

Public Utilities, Power, and the Liquor Commission. The Report of the Board of Commissioners of Public Utilities for the year 1933 stated that while, as in the preceding year, the policy was followed of making such extensions only as were necessary to meet actual needs for service, judged by the small number of applications which came before it in this branch of its work, the provision of the Statute requiring "reasonably safe and adequate service" to be furnished, was fairly well met by the public service corporations. The absence of capital expenditures during a time of stringency fortunately obviated issues of public utility securities on an unfavourable market. Plant and equipment were generally well maintained by the public utilities, thus affording employment for men who would otherwise have been thrown out of work. Of the more important matters dealt with during the year were: the valuation of the Seaboard Power Corporation, Limited, and the application for the approval of a schedule of rates for that corporation; the valuations of the properties, assets and undertakings of the Avon River Power Company, Limited, and the approval of complete new schedules of rates and regulations for the Company; and the valuations of the properties, assets and undertakings of the Eastern Light and Power Company, Limited. In the case of telephone corporations, a full and complete revision of the percentages of its various classes of property to be annually set aside for depreciation was approved for the Maritime Telegraph and Telephone Company, Limited, and accounting regulations prescribing a uniform system of accounts for companies having an annual revenue in excess of $50,000 were approved.

At the end of the fiscal year 1933 (Sept. 30) the Nova Scotia Power Commission was operating under contracts for the wholesale or bulk supply of electric power and energy to 19 corporations and, in addition, was serving 839 retail customers in hamlets and rural districts. During the year 183,292,391 k.w.h. of energy were delivered to all customers—wholesale and retail—at an average cost to the customer of 0.563c. per k.w.h., an increase of 23.45 per cent. over the previous year in energy delivered, and a decrease of 23.9 per cent. below the average cost per kilowatt hour for the preceding period. The total horse-power rating of the 28 hydraulic turbines in service were 62,955 and the approximate number of miles of main transmission lines, 257. The fixed assets at Sept. 30, 1933, of the eight Systems of the Commission were $13,978,741; contingency and renewal reserves, $535,149 and total reserves' accumulation, $1,411,401. The total operations' cost for the fiscal year was $1,032,572, the major construction for the year consisting of a 31-mile, 66,000-volt transmission line from Hopewell to Truro.

The Liquor Commission reported that at Sept. 30, 1933, inventories of liquors (at cost) stood at $278,259, a decrease of $93,653 from the previous year. Fixed assets amounted to $188,499; surplus for the year, $286,681; and net sales (less discounts), $2,807,780, a reduction of $958,133 from the previous year. No new stores were opened and none closed during the fiscal

year ended Sept. 30, 1933. Other statements for this period showed 10,301 individual and 1,982 temporary liquor permits issued; 3,659 individual cases investigated of which 2,379 resulted in Court action with 2,127 convictions; 32 permits suspended or cancelled; the sale of beer and wine prohibited in 689 cases to non-permit holders but included in this figure were 550 cases in which prohibition was requested by the proper authorities to prevent the purchase of intoxicating liquor by those applying for relief. Liquor purchased by the Commission in Canada amounted to $1,457,342; in Great Britain and British Possessions, $58,443, and in foreign countries, $7,428.

Education. The Superintendent of Education, in his Annual Report for the year ended July 31, 1933, drew attention to the remarkably slight decline in the amount voted for schools by local boards during the year, the total rural vote actually showing an increase. The municipal fund declined slightly over $4,000 while the expenditure on education by the Provincial Treasury increased over $18,000, the total expenditure from all sources on education amounting to $4,290,411, a decline of $2,000 as compared with the previous year. The total enrolment of pupils in all grades in public schools during the year under review was 117,238, an increase over the previous year of 1,197 of which 16,701 were in high school grades and 100,537 in elementary grades. Teachers numbered 3,597 in the public schools as compared with 3,542 in 1931-32, their salaries showing a slight decline. The number of teachers with professional training increased by 226 during the year while 91 more University graduates were employed in the public schools. The year 1933 saw the beginning of the change at the Normal College, under which professional training for teachers became obligatory for a full academic year with no licence issued below the rank of "First Class."

At the 70th Convocation on May 15, 1934, of Dalhousie University, which had an enrolment of 926 students, 203 graduates and post-graduates received degrees of: M.A. (10), M.Sc. (7), B.A. (73), B.Sc. (29), B.Com. (19), B.Mus. (1), LL.B. (17), M.D., C.M. (32), and D.D.S. (15). Diplomas were given in L.Mus. (1), Engineering (9), Pharmacy (3), Household Science (1), and Education (9). The Principal of Queen's University, Kingston, Ont., Prof. William Hamilton Fyfe, M.A., LL.D., upon whom was bestowed the honorary degree of Doctor of Laws (LL.D.), addressed the students. Tribute was paid during the *Encœnia* proceedings by the President, Prof. Carleton W. Stanley, to the work of two former members of the staff who had died during the year: John Stewart, C.B.E., LL.D., for many years Dean of the Faculty of Medicine and Archibald MacMechan, PH.D., LL.D., for 42 years Professor of English. In November, 1933, the Law School celebrated its Fiftieth Anniversary. Gifts to the value of $28,921 were received by the University during 1933-34. The University lost an appeal on June 15, 1934, to the Supreme Court of Canada to collect $5,000 from the estate of Arthur Boutilier. The latter had promised the contribution to the University funds in 1920 but before it was realized Mr. Boutilier suffered financial reverses and died in 1928. The estate opposed payment when the University filed its claim but the Registrar of the Probate Court allowed it and was upheld by His Honour Walter J. O'Hearn of the Halifax County Court. Appeal was taken to the Supreme Court of Nova Scotia, which took the view that as the subscription card was gratuitous, without consideration, it was not enforceable. From this decision the University had appealed to the Supreme Court of Canada.

The award of three valuable scholarships was announced by the President of Acadia University at the end of the 1933-34 Session; one, a fellowship in Greek Archæology, providing for a year's study in the American School of Classical Studies at Athens, was won by Cedric Boulter of Charlottetown. The 96th Convocation of the University, which recorded an enrolment of 490, was held on May 23, 1934, when 127 degrees were conferred: B.A. (72), B.A. in Theology (8), B.Sc. (23), B.Sc. in Household Economics (12), B.Mus. (3), B.D. (1), M.A. (3), and M.A. in Theology (5). Honorary degrees were conferred by the University on two occasions during the year: on Nov. 15, 1933, Doctor of Science (D.Sc.) on Sidney Bertram Thomas, O.B.E., Somerset,

England; Doctor in Music (D.Mus.) on Joseph Szigeti, New York City; and on May 23, 1934, Doctor in Divinity (D.D.) on Arthur Crawley Archibald, Columbus, Ohio; on Frank Leslie Orchard, Amherst, N.S.; and on Luther Lisgar Young, Kobe, Japan; Doctor in Civil Law (D.C.L.) on Cecil Charles Jones, Fredericton, N.B.; and on William Everett McNeill, Kingston, Ont.; and Doctor in Science (D.Sc.) on George Russell Bancroft, Philadelphia, Pa.; on John Stuart Foster, Montreal, Que.; and on Frederick Shand Goucher, New York City. Gifts received during the year amounted to $15,818.

The Province of Nova Scotia

(As at Dec. 31, 1934)

Lieutenant Governor ..... The Hon. Walter Harold Covert, K.C.

The Macdonald Ministry (Liberal)

Prime Minister and Provincial Secretary ..... The Hon. Angus Lewis Macdonald, B.A., LL.B., S.J.D.
Minister of Highways ..... The Hon. Alexander Stirling MacMillan
Minister of Agriculture and Marketing ..... The Hon. John Alexander McDonald, M.A.
Attorney General ..... The Hon. Josiah H. MacQuarrie, B.A., LL.B.
Minister of Public Works and Mines and Minister of Labour ..... The Hon. Michael Dwyer
Minister of Public Health ..... The Hon. Frank Roy Davis, M.D., C.M.
Minister without Portfolio ..... The Hon. Joseph Willie Comeau
Minister without Portfolio ..... The Hon. Clarence Wentworth Anderson

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Speaker of the House of Assembly ..... The Hon. Lindsay Cann Gardner

Heads of the Administrative Services

Deputy Provincial Secretary ..... Arthur S. Barnstead, LL.B.
Clerk of the Executive Council ..... Arthur S. Barnstead, LL.B.
Deputy Provincial Treasurer ..... Carl D. Dennis, C.A.
Deputy Minister of Public Works and Mines ..... Norman McKenzie
Deputy Minister of Labour ..... Earle B. Paul
Deputy Attorney General ..... Frederick F. Mathers, K.C.
Superintendent of Education ..... Henry F. Munro, M.A., LL.D.
Director of Marketing ..... Frederick W. Walsh, B.S.A.
Chief Health Officer ..... P. S. Campbell, M.D., C.M.
Director of Child Welfare and Director of Old Age Pensions ... Ernest H. Blois
Chairman, N.S. Power Commission ..... Hon. A. S. MacMillan
Chairman, N.S. Liquor Commission ..... C. W. Ackhurst

THE PROVINCE OF NEW BRUNSWICK

The Tilley Administration: The Maritimes Rights Question

The last six months of 1933 and the succeeding months of 1934 saw the inauguration in New Brunswick of new constructive policies by the Government, headed by the Hon. L. P. D. Tilley, who had succeeded the Hon. C. D. Richards in May, 1933, upon the latter's resignation as Prime Minister and Member of the Legislature in order to accept a seat on the Bench of the Supreme Court of New Brunswick. In the putting into effect of their new plans the Tilley Government had in view the betterment of industry and employment in general and, incidentally, of the Province's finances.

Foremost in the affairs of New Brunswick during the period under review was a fresh agitation for settlement of the Maritimes Rights and Claims question. The Maritime Confederation League formed in September, 1932, with its main object the adjustment of the Provinces' claims under the Union, joined with the City of Saint John, the Executive Council of Railway Employees, the Retail Merchants' Association, the Maritime Merchants' Alliance, the Real Estate Owners' Association, the Roman Catholic Bishop of Saint John and The Evangelical Alliance, in presenting a petition to the New Brunswick Government on Aug. 22, 1933, containing the following request: "That the Government of New Brunswick appeal to the King's Privy Council for Canada to advise the Government of Canada" as follows: (1) to re-establish the Intercolonial Railway as a national service institution; (2) to take immediate steps to effect the establishment of the National Atlantic overseas trade route and its continuous operation through the seaboard of the Maritimes in accordance with London Resolution 66; (3) to make laws to promote "the regulation of trade and commerce;" and (4) to discontinue policies prejudicial to the peculiar rights and interests of New Brunswick and the Maritime section of the Dominion and contrary to the agreements of Confederation, such as the subsidization of the United States—St. Lawrence overseas trade route and the operation of the Intercolonial Railway as a commercial enterprise.

The Prime Minister assured the delegates that a brief on the Maritimes Rights question would be prepared by the New Brunswick Government and would probably be studied by the Governments of Nova Scotia and Prince Edward Island before being presented to the Dominion Government. The following day Mr. Tilley enumerated in a statement to the Press the questions on which he believed a settlement should be made. These were: (1) Shipment through

Maritime ports of goods and products from Ontario and Quebec, manufactured or otherwise, for export, particularly during the Winter months—"I feel strongly that we should not be debarred, even on account of the St. Lawrence waterway, of a reasonable amount of Summer shipments," he commented. (2) Completion of dock facilities in Maritime ports for handling such trade and commerce in the most expeditious manner possible. (3) Implementing of the recommendations of the Duncan Commission. (4) An increase in the amount of the annual subsidies from the Dominion to the Maritime Provinces, so as to provide some compensation, at least in part, for the loss of Customs revenues at the time of Confederation and the loss of territory given away by the Dominion to Quebec and Ontario.

Mr. Tilley, while complimenting the delegation on the brief presented the preceding day, declared that they might have included in it "a demand for united support of the terms and conditions set out under the Duncan Commission, and the implementing of the balance of the recommendations made by that Commission, which have not yet been fulfilled." He continued:

> One of the greatest blows the Maritime Provinces ever received was when the Intercolonial Railway became merged with the Canadian National Railways system . . . As a son of a Father of Confederation, who said at the Quebec conference, "We will not enter Confederation without an Intercolonial Railway," I realize it was intended that the I.C.R. should be built so that the Provinces of Upper Canada and the rest of the Western territory would use our Maritime Atlantic ports. Goods, wares and merchandise were to be shipped from the industrial centres of Ontario and Quebec down over the I.C.R. and out from our Atlantic ports. In good faith, we believed that the people of Ontario and Quebec would so recognize our ports and route their freight accordingly. . . . Also it was intended that our farm products, fish, lumber, in fact all our natural products finding a sale in Upper Canada, would be carried over the I.C.R. some 485 miles at freight rates which would permit of our competing with our fellow-Canadians in Upper Canada industrial centres. . . . Another feature which I expected the brief would contain was reference to the fact that two of our original partners in the Confederation agreement, namely Ontario and Quebec, have been given by the Dominion Parliament thousands and thousands of miles of Dominion territory in which the Maritimes were co-owners, with no *quid pro quos*, except some increase in the annual subsidy granted by the Dominion to each of the Provinces. These grants, in my opinion, are inadequate to compensate for the loss of our Customs tariffs which we were able to collect as independent colonies prior to Confederation, and entirely inadequate to cover the huge territorial grants to Ontario and Quebec. . . . Furthermore, we in the Maritimes are also faced with the fact that the Canadian National Railways system within the last 20 or 25 years adopted a policy entirely contrary to the national life of this country, when it purchased railways in the United States and port facilities in various sections of the United States for the shipment of goods of Canadian origin out of United States ports, as against shipment from our own Canadian ports. . . . This policy was absolutely contrary to the terms of Confederation, and I think it is high time that the three Maritime Governments and boards of trade and all public organizations get together to advocate the rights of the Maritimes.

A month later (Sept. 29) at a dinner tendered by the Municipality of the City and County of Saint John to the delegates of the 27th Annual Convention of the Union of New Brunswick Municipalities,

Mr. Tilley announced that the Prime Ministers of the three Maritime Provinces would meet in the near future to confer on the "Claims" question, and he read a letter written by him to the Hon. Angus L. Macdonald (Prime Minister of Nova Scotia) on the question and the latter's answer endorsing the plan. Subsequently, in fulfilment of Mr. Tilley's promise to have the Province's claims investigated by a legal expert, J. F. H. Teed, K.C., was retained in that capacity. After the presentation of his Report (see elsewhere in this Section) to the Government in December, 1933, there were further conferences of the three Provinces, preliminary to their formal request to the Dominion Government that the recommendations of the Duncan Commission Report be completed. Finally, nine months later, (Sept. 14, 1934), a Commission of three members: the Rt. Hon. Sir Thomas White, K.C.M.G., P.C., Toronto (Chairman), the Hon. John Alexander Mathieson, Charlottetown, and Edward Walter Nesbitt, Woodstock, Ont., was appointed by the Dominion Government to take into consideration and deal with the recommendation of the Duncan Commission, 1926, that there be a revision of the financial arrangements between the Dominion Government and the Governments of the Maritime Provinces.

When a delegation, representing the Executive Council of Railway Employees of the Canadian National Railways and the Canadian Pacific Railway Company, waited upon him in November, requesting a postponement of amalgamation of services in the Maritime Provinces until legal opinion had been obtained on the status of the Intercolonial Railway under Confederation, the Provincial Prime Minister immediately telegraphed a request to that effect to the Hon. R. J. Manion, Dominion Minister of Railways, expressing the hope that the Maritime Provinces would not be forced into a position different from the other districts in which he understood amalgamation was being held up. Meantime, in the proposal to re-establish the Maritime Transportation Commission, the Provincial Government had definitely pledged their support in co-operation with Nova Scotia and Prince Edward Island, New Brunswick's share of expenses to be $5,000 annually.

Shortly after assuming office, Mr. Tilley, as Minister of Lands and Mines, had directed his attention to New Brunswick's lumber industry. In a statement to the Press on July 2, 1933, he announced new regulations governing timber operations for 1933-34, to become effective on Aug. 1; they concerned chiefly stumpage rates, but included also a protective clause to prevent lands under licence being held for speculative purposes and to enforce annual operation. In the Spring of 1934 Mr. Tilley left Saint John for London and Liverpool, intimating that the visit was in the interests of the lumber industry. He referred, in a Press interview, to the British housing scheme, which contemplated the demolition of thousands of houses in London and the building, over a period of years, of as many, if not more, new houses, in which studding and flooring would be mostly of timber. The London City Council, he stated, always made

a point of giving a preference to British Empire products, "so there should be an excellent opportunity for our lumbermen and lumber exporters to look into this trade. I intend stopping off at Liverpool for two or three days to interview the President of the Liverpool Lumbermen's Association whose firm is a large buyer in New Brunswick and Nova Scotia, as well as other leading Liverpool lumber buyers" (*The Telegraph-Journal*, Apr. 9, 1934). Speaking before the Canada Club, London, on May 9, the New Brunswick Prime Minister expressed the hope that British exports to Canada would materially increase and he suggested that established British industries might follow the example of those from the United States who had set up plants in Canada, employing men of their own country and giving work also to Canadians—automobile factories were particularly mentioned as being likely to find a Canadian market (Canadian Press cable, May 10, 1934). Upon his return to Canada Mr. Tilley declared that a potential export field of a very large population, all within a radius of 100 miles in the north of England, had been overlooked by the Canadian lumber industry. Russian competition, he thought, was a negligible quantity.

A growing source of Government expenditure and a menace to the forests of New Brunswick were fires raging through large areas of the Province each year. During the period under review, in August, 1933, and May, 1934, two particularly destructive conflagrations occurred; on both occasions orders were issued by Mr. Tilley, as Minister of Lands and Mines, to all organized crews engaged in logging or pulpwood cutting to take precautionary and protective measures during their work. Only those engaged in the industry were exempt from the general proclamation of closed forest areas to all travel and of the Government's refusal to grant further permits until the existing danger was over. The fire in May, in Restigouche County, started in Gillis Gulch and met another fire sweeping across old burn of more than ten miles in length from Stillwater. With the exception of three buildings, the entire Oliver Settlement properties were destroyed, leaving 300 people homeless.

After holding a conference on Jan. 4, 1934, with representatives from all the municipalities of New Brunswick, except Kent and Queens Counties and the City of Saint John, to discuss their relief disbursements for 1934 and their general financial affairs, the Prime Minister disclosed the healthy financial condition of the municipalities, pointing out, in his official statement as to conditions generally, that not one had been forced to default in any commitment. Some months later, his comment on charges from the Auditor-General at Ottawa of relief irregularities in New Brunswick was: "When the investigations are completed, I believe it will be found that relief disbursements in New Brunswick have been carried out as regularly and as efficiently as in any Province in Canada." In the early Spring (1934), the Provincial Government, in co-operation with the Dominion, under the unemployment relief scheme, began the construction of 70 miles of hard-surfaced road. The Prime Minister

had announced in September, 1933, that it was the intention of the Government to build this length each year. He explained that for some years previously the Provincial Department of Public Works had been laying out and constructing the roads of the Province, having regard to uniform width alignment and grade improvement and installing permanent concrete culverts and bridges with the ultimate object of laying a hard surface all-weather road, thus eliminating the dust nuisance and materially reducing the cost of surface maintenance and repair. Hoping that a reduction in motor vehicle fees would bring more cars on the Provincial roads and a greater use of gasolene, the Government, in answer to frequent requests, reduced on Feb. 1, 1934, the tax on automobiles and on trucks of 3,000 pounds, the rate being increased on trucks of a larger weight.

Petitioners numbering 2,000 had submitted their names to the Prime Minister and Members of the Executive Council, on Dec. 21, 1933, asking that the Government take such action as might be necessary in order to enable the Liquor Control Board to issue licences for the sale of beer and wine to hotels in those localities which might request such licences to be issued within their limits under such regulations and conditions as the Executive Council and the Liquor Control Board might deem advisable (*The Telegraph-Journal*, Dec. 21, 1933). The petition was to be submitted to a Government Party caucus to be held in January, 1934, the Prime Minister announced, but on Jan. 10, he answered the protests against such Provincial sale of a delegation of 200 representatives of the New Brunswick Temperance Alliance, the Women's Christian Temperance Union and the Ministerial Association of Fredericton, Devon and Marysville, by stating that the Government had no intention of passing legislation for the sale of light wines and beer generally by hotels and the clubs of the Province, the measure proposed, he said, was to permit the taking of a plebiscite on the question by an incorporated town which so desired—that it would be entirely a matter of local option. Following a caucus meeting of Government Members, on the 12th, Mr. Tilley announced that the majority had expressed opposition to the sale on a local option basis.

Following the close of the 1934 Session of the Legislature on Mar. 27, the Government proceeded to set the new legislation in motion. The three members of the New Brunswick Marketing Board, provided for by the Natural Products Marketing Act, which was of particular significance in view of the Dominion legislation in progress at the time, were appointed. The Forests Operations Commission, also composed of three members, was announced and before Oct. 3, 1934, it had put in force fair wage scales for the different branches of the lumbering industry. A one-man Commission who would be assisted by inspectors was named to supervise the finances of municipalities which found themselves in difficulty. The gasolene tax was raised from 7 to 8 cents, becoming effective on Apr. 6. A minimum schedule for teachers was prepared for 1934-35, the

former scale having been modified. New stumpage rates were announced at Aug. 1, 1934—an increase from 40 to 50 per cent. on all types of soft wood lumber, the 1933 stumpage rate on hardwood having been continued for another year. Other Provincial appointments besides those of the three important bodies already mentioned, included a new Registrar of Deeds for King's County, on Apr. 4, J. W. Smith (Con., King's Co.) resigning his seat in the Legislature to accept the office which had been made vacant by the death of George B. Hallett. An office of Assistant Mines Inspector was created, largely owing to the requests of employees in the Minto Mines during conferences with the Government, H. W. Parker of Minto receiving the appointment.

A summary of Provincial finances for the fiscal year ended Oct. 31, 1934, was published early in the new year (1935). A current Deficit of $876,551, due principally to over-expenditure in such unforeseen directions as the cost to the Province from flood and freshet damage, forest fires, education, and the Provincial hospital. Receipts were nearly $200,000 less than anticipated, although they increased $260,000 over the year 1933, largely due to stumpage, the Department of Lands and Mines showing an increase of $346,500 over the previous year (1933), the expected increase having been $275,000. On the other hand, the anticipated gain of $155,000 in motor vehicle fees amounted to only $85,000, and the Liquor Control Board, to $13,300, instead of the contemplated amount of $55,000.

The Teed Report. The exhaustive Report of Mr. Teed was made public on Dec. 18, 1933, a few days after its presentation to the Government. The two questions upon which Mr. Teed had been asked to give an opinion, he stated, were:

"First: The question as to whether or not the Maritime Provinces (and having reference particularly to the Province of New Brunswick) have any legal claim or legal right—under the Confederation documents or subsequent legislation—against the Dominion of Canada which might be enforced by appropriate legal action, and if they have any such right, by what legal proceedings the same might be enforced.

"Second: What claims of an equitable nature (as distinct from legal claims) the Province of New Brunswick might have against the Dominion of Canada, or with reference to the relations between the Dominion of Canada and itself, arising out of the Confederation relationship; and what mode of procedure would I recommend be adopted by the Province of New Brunswick with a view to its securing the recognition by the Dominion of Canada of such equitable claims, and the adoption of practical means to satisfy the same."

In his Report, Mr. Teed specified, "broadly speaking," the claims of the Maritime Provinces, in particular those of New Brunswick, which had been put forward upon three grounds:

"First: That the Maritime Provinces, and here again, particularly the Province of New Brunswick, have not prospered or benefited by Confederation to an extent at all approaching that to which other Provinces of Canada have prospered or benefited, and the claim is made generally that the policies of national development adopted from time to time by the Dominion Government have been such as to develop all Provinces of the Dominion with the exception of the Maritime Provinces, and it is contended that the Dominion should adopt policies and measures which would carry out what are claimed

to be the principles on which Confederation was based, namely, there should be a development of all parts of Canada and in particular a development of the ocean-borne international trade of Canada, through Maritime Ports.

"Second: That the Maritime Provinces have been inequitably treated in comparison with other parts of Canada in respect of the allotment to them by the Dominion of moneys or some equivalent and the failure by the Dominion to spend in those Provinces, moneys which were reasonably required to be expended there for the purpose of procuring the proper development of this section of Canada.

"Third: That the Dominion as a whole does not pay to the individual Provinces a sufficient allowance under the British North America Act to enable the Provinces to maintain properly the public services which they are obliged to keep up and maintain."

Some of the points in Mr. Teed's expressed opinion were as follows: (1) That the delegates who assembled at the Quebec Conference had no authority, at least in so far as the Province of New Brunswick was concerned, to agree upon any basis of union or to effectuate or bring about union of the Provinces of Canada. The New Brunswick delegates who attended at London, however, had authority to arrange with the delegates from the other Provinces and the Imperial Government for the Union of British North America, and their responsibility was left unfettered by specific directions, save the direction that union was to be accomplished with a provision for the immediate construction of the Intercolonial Railway. (2) That the legal rights of the Provinces "must be based upon the proper interpretation of and the meaning to be placed upon the various provisions of The British North America Act and subsequent legislation." (3) That if the matter of claims by New Brunswick (of the character with respect to which he had been asked to give his opinion) be referred to any Court for decision or advice, "such Court would, in adjudicating on the legality of such claims, not be entitled to take into consideration the language of the London Resolutions (so-called) except in so far as those Resolutions might be explanatory of any ambiguity apparent in any particular provisions of the Statutes; and would be absolutely precluded from taking into consideration, in construing the Statutes, any of the speeches or statements made by men in public life preceding or at the time of the enactment of such legislation or subsequent to the enactment in explanation thereof."

With regard to the legal rights or legal claims it was Mr. Teed's considerate opinion:

"First: That there are no rights or claims of the class with respect to which I have been asked to express an opinion which the Province can force into any Court for determination.

"Second: That there may be some such rights or claims with respect to which the Province might request that certain questions should be referred to either the Supreme Court of Canada by the Dominion Government, or to the Judicial Committee of the Privy Council (Imperial) by the Imperial Government, for their advice, but I do not recommend that any such reference be requested."

As to equitable claims: (1) Money grants to the Provinces; and (2) Transportation and freight rates (coupled with port development and export trade), Mr. Teed dealt with the first question under two classes: (a) The claims which were common to all Provinces (Annual grants by the Dominion to the Provinces for Provincial purposes), and (b) Those peculiar to the Maritime Provinces (Public Debt Allowances, and an Allowance in lieu of public lands transferred by the Dominion to the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, and Alberta).

Under (a) Mr. Teed stated that he had come to the conclusion "that some system of a payment of fixed percentage to the Provinces of the receipts by the Dominion from Customs and Excise would be more equitable than

the present system of an amount affixed on a *per capita* basis. If, however, a system of allocating a percentage of gross revenue from Customs and Excise or some similar system be not adopted, then I would be strongly of the opinion that the *per capita* allowance provided for in the Act of 1907 should be revised in accordance with the increase of costs and provision should be made by an amendment to the British North America Act if necessary—that there should be a similar revision at intervals of a few years (I suggest five-year intervals)."

In dealing with (b) the two major claims peculiar to the Maritime Provinces: Public Debt Allowances; and Allowance in lieu of public lands transferred by the Dominion to the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, and Alberta, Mr. Teed's recommendation was that the Government of the Province of New Brunswick should press the Dominion Government for the determination and adjustment of these matters.

With regards to (2) Transportation and Freight Rates, Mr. Teed declared (a) that it was the intention of the promoters of Confederation, with reference to the sea-borne international trade of Canada, that such trade should be directed through the ports of Canada and not through foreign ports, and that the Intercolonial Railway was to be the artery through which such trade was to be directed in the Winter months; and (b) that it was the intention that the Maritime Provinces should be enabled by the Railway to be constructed, to develop an Inter-Provincial trade the year round. He preferred, he said, to leave the question of any freight rate on any particular commodity, to be considered by the Maritime Transportation Commission, or some such similar body. It was his considered opinion that it was one of the principles on which Confederation was based that the International sea-borne trade of Canada should, so far as practicable, be directed through Canadian ports, as in that way, those ports of Canada would develop and grow through the profits derived from the handling of the trade of the country, both export and import, and the profits derived from such trade would not go to enrich citizens of another country. Necessarily embraced within the foregoing, was the matter of development at Canadian ports of facilities for the handling of all Canadian traffic so that if, unfortunately, conditions should so develop so that all Canadian trade should be forced into wholly Canadian channels, facilities would be available at Canadian ports for the handling of all such traffic."

Mr. Teed continued: "I believe that the principle . . . . that the country as a whole should bear a portion of the cost of transportation of commodities over the eastern division of the Canadian National Railways (formerly the Intercolonial Railway), might well be further developed and a scheme worked out whereby the Dominion as a whole should bear and pay a substantial portion of the cost of transportation of commodities in the Winter season from Montreal, or thereabouts, to the Maritime ports and thereby relieve the commodities in question from the burden of paying the ordinary transportation costs (including handling charges) which costs, as I understand them, are (speaking generally) substantially higher than those involved in transporting commodities to and handling them in certain ports in the United States." He concluded with the recommendation that:

"(1) The advice of experts on trade matters should be sought as to the best practical mode of developing such trade;

"(2) That the legislation considered necessary and advisable to accomplish such purpose should be prepared by your Government, or, perhaps more accurately, by the Governments of the Maritime Provinces, or under their direction; and

"(3) That application should be then made to the Dominion Government to promote legislation for the purpose of giving practical effect to the often declared policy of trade development and the suggested legislation be submitted to such Government for their consideration."

The 1934 Session of the Legislative Assembly

The Fourth Session of the Tenth Legislative Assembly was opened on Feb. 8, 1934, by His Honour the Lieutenant-Governor, Major-General, the Honourable Hugh Havelock McLean, K.C., L.L.D. Seven weeks later, on Mar. 27, prorogation took place after 85 Bills had been passed: 42 Government and 48 Private measures.

In its introductory remarks the Speech from the Throne regretted the loss to the House of Assembly of the Hon. C. D. Richards, former Prime Minister and Attorney-General, who had been promoted to the Supreme Court Bench of New Brunswick, and of Mr. J. E. Michaud, former Member of the Executive Council and financial critic for the Opposition in the Legislature, who had resigned his seat to enter the House of Commons as Member for Restigouche—Madawaska. The affairs of the Province were briefly reviewed in the Speech. The lumber and coal industries had considerably increased their production. The cut of timber from Crown and private lands, both long lumber and pulpwood, was expected to be double, in 1934, that of the previous year. The output of coal from the Minto Mines increased during the year 1933 by at least 20 per cent. There was a distinct upward trend (in February) in the prices paid for farm produce, although they were still low. The unemployment situation was improving materially, due largely to the greatly increased production of lumber; this meant a substantial reduction in the payment for unemployment relief. Legislation of the preceding Session (1933) for the protection of miners employed in the Province, more particularly those engaged in coal mining, had been duly promulgated and was expected to have a beneficial effect. In industry, works undertaken by the Government with a view to alleviating the unemployment situation in the Province, included a Dominion-Provincial bonus to hake fishermen; a bank guarantee to the Algonquin Sea Foods Limited in order to enable that Company to purchase cod, haddock, and mackerel at fair prices and to develop the market for brine frozen fish; the granting of free seed and sustentation allowance during seeding periods to colonists; the reduction of stumpage and waiver of export charge upon pulpwood; a bank guarantee, in conjunction with the Municipality and County of Saint John, to the Port Royal Pulp and Paper Company, Limited, which made possible the re-opening and continuous operation of the Company's pulp mill and the woods operation in connection therewith; the Dominion-Provincial establishment of an unemployment relief camp in Sunbury and York Counties for dependent single men—this camp in 1934 was clothing, maintaining and housing 500 men in the establishment of an experimental forestry station and an artillery practice range. A programme for the laying of some hard surface Provincial roads was being planned by the two Governments for 1934. In aid of colonization 678 families had been settled on lots throughout the Province.

The Speech announced the Maritime Governments' request to the Dominion Government that the carrying out of the recommendations of the Duncan Commission be completed, and in this connection it was stated that the several Maritime Governments had appointed an advisory body, the Maritime Transportation Commission, to act on the freight rates question.

Proposed legislation included a reduction of the tax on certain motor vehicle licences; means to promote the production and distribution of natural products; assistance to settlement of labour disputes in the lumber industry; a new Succession Duty Act; a new Motor Vehicle Act; and an Act to amend the existing Elections Act.

Alfred J. Brooks, (Con., King's Co.) in moving that the Speech be taken into consideration, which was seconded by W. Benton Evans (Con., Queens Co.), described the efforts of the Prime Minister (Hon. L. P. D. Tilley) to ascertain the legal and moral rights of New Brunswick in connection with its claims against the Dominion Government: the appointment of J. F. H. Teed, K.C., to investigate the situation and his Report, which stated that while no legal claims existed, there were moral ones—these, the Prime Minister,

in conjunction with the Governments of the other Provinces, were endeavouring to have adjusted. He referred to the Maritime Transportation Commission, set up by the three Provinces to work out a plan of re-adjustment of the freight rates. In order to take advantage of both Canadian and Overseas available markets, Mr. Brooks suggested that New Brunswick consider the production of bacon. He pointed out that Canada did not supply one-third of the quota of this product that she was allowed under the British preference, and that New Brunswick was raising only 16 per cent. of her own requirements. Mr. Evans, in seconding the motion, referred to the improvement in the lumber and coal mining industries. The erection of the Grand Lake Power Plant by the New Brunswick Power Commission had aided, he said, to a marked degree, in a greater consumption of coal, the output of which for 1933 had exceeded 300,000 tons, or 50 per cent. greater than that of the previous year—there had been a marked consumption by pulp mills and by the Canadian National Railways. The industry, he stated, was employing 1,000 men, the wages paid in 1933 amounting to approximately three-quarters of a million dollars. Of all the coal-mining Provinces, he reminded the House, New Brunswick alone was carrying on without receiving amounts in financial and by way of bonuses or subventions from the Dominion Government. Mr. Evans enlarged on the proposed new legislation mentioned in the Speech.

A. Allison Dysart (Lib., Kent Co.), Leader of the Liberal Opposition, resuming the debate on the 13th, criticized the Speech from the Throne for its omission of all references to the budgeting for a Deficit of $87,000 in March and the harvesting in October, 1933 of a deficit in the neighbourhood of $1,000,000; for its omission of "Hydro" matters; and of the change made in the Department of Agriculture in the appointment of a new Deputy head, which he claimed was an outcome of a rift between the Prime Minister and the Minister of Agriculture. He declared that no broad constructive policy to cope with the major pressing problems confronting the Province had been presented with the exception of the Marketing Bill, which he commended, as he believed that the spread between the actual producers and the consumer was altogether too wide and he expressed the hope that the measure would be broad enough to include the fishing industry as well as others. He referred to the Liberal victories in recent Elections as showing in what direction the electorate throughout Canada was turning. He blamed the acute situation in the lumber industry to the policy of the Government, and their predecessors in the handing over of immense lumber areas of Crown lands to large holding companies, thus closing out many mills that were giving employment to thousands of people. The non-establishment of pulp and paper mills in the Miramichi district had resulted, he declared, in severe unemployment during the last few years. He attacked the Provincial-Municipal guarantee of the bonds of the Port Royal Pulp and Paper Company, Limited, of Saint John, asked what security had been given by the Company, and intimated that the Government had established a dangerous precedent. Speaking of the labour situation in the lumber industry, he believed, he said, that it was an Opposition view that fair wage legislation should be enacted and he cited incidents in support of his argument. Proceeding to the question of the Province's rights within Confederation, Mr. Dysart repeated, as on former occasions, his belief that the question could never be satisfactorily settled "unless and until the broad subject of tariffs as applied to New Brunswick's conditions shall have been explored." He believed that the scope of the Duncan Commission Inquiry contemplated the study and examination of the question. Mr. Mackenzie King, he said, in his covering letter to the Commission at the time had certainly embraced a tariff inquiry when he wrote that the Commission "should take every opportunity for the fullest and frankest discussion of the economic difficulties facing this part of the Dominion," referring thus to the Maritimes. He alleged that the Meighen "Shadow Government" in authority when the Commission met, advised that body to keep away from the question of tariffs if "it wished to get anywhere." He thought that New Brunswick had neglected to do its duty in 1928 in not following out the suggestion

arising from the Duncan Commission Report that the three Governments should submit their financial requirements to the Dominion Government, in order that a detailed determination and assessment of subsidy adjustments as recommended in the Report might have been made. He believed that the sympathetic feeling of the Dominion Government for the Maritimes' claims, which had gradually been aroused by public opinion, had been swept away to some extent by the recent publication of the Teed Report. Mr. Dysart concluded by stating that it was the considered view of the Opposition that economic liberation must come from tariff adjustment and the fulfilment of the Duncan Commission findings, and he, therefore, moved, seconded by C. T. Richard (Lib., Gloucester Co.) that "no satisfactory adjustment of the relations of the Province of New Brunswick within the structure of Confederation can be achieved, nor adequate relief from our economic ills obtained, without a full and exhaustive inquiry into the effects of the fiscal trade and transportation policies of the Dominion upon the social, economic and industrial welfare of our people and the remedial action based upon the results of such inquiry."

The Prime Minister (Mr. Tilley) continued the debate on the 14th. In upholding the statement that business was improving he declared that the cut in lumber had been estimated for the Winter of 1932-33 at 67,000,000 feet, but that the actual cut was 107,000,000 feet, and for the Winter of 1933-34 the cut would not be less than 175,000,000 feet, and for the next Summer the estimate would be 35,000,000, mostly in pulpwood, a total of over two hundred millions; and in private lands it could be estimated that there would be as much more, making a total cut of over four hundred millions. In coal mining the output in 1932 was 169,000 tons, while in 1933, Mr. Tilley stated, it increased to 266,000 tons, with a corresponding increase of employment, indicating an upward trend. Referring to relief throughout the Province generally, the peak, he said, had been reached in April, 1933, when 12,464 families, including over 60,000 persons, with 1,156 single men, were being supported. By September, 1933, those on relief had dropped to 2,931. During the whole period of the economic depression, he pointed out, there had been only one strike in the Province. In the fishing industry, it had been arranged as a relief measure to give a grant of 20 cents per 100 pounds for green hake direct to the fishermen—this had been the result of representations showing that while there was a good supply of that fish, the price was very low on the returns. The $10,000 voted for the purpose during the previous Session had been expended on seed to settlers and, in addition, $10,000 had been apportioned for food allowance. To enable the new settlers to develop their districts $25,000 had been spent upon colonization roads scattered throughout the North Shore counties. The Prime Minister refuted the statement of the Opposition Leader that many of the counties were bankrupt by quoting statistics to prove that they were in a better financial condition than those of some of the other Provinces. He disclaimed any thought or mention or intention of political benefice to the Government in connection with their guarantee of bonds for the Port Royal Mill at Saint John, stating that the proprietor of the Company was a Liberal Member of the House of Commons from Quebec, and the chief promoters were prominent Liberals—the Government action, he said, had in mind only assistance to unemployed, the mill giving work to many hundreds. Bonds to the amount of $200,000 were issued by the Company and $120,000 of these were deposited with the bank in trust for the Province and the Municipality, who in turn guaranteed any loan the Bank might make for running expenses up to the value of the bonds. The Company in turn guaranteed eleven months' operation each year, and the advance guaranteed at any one time was not to be more than $40,000. Interest on the bonds was to be paid by the Company at the rate of 6 per cent.

The Prime Minister was indignant at the action of the Opposition Leader with regard to his Amendment. He demanded to know whether Mr. Dysart wished to tie up the situation and cause a delay until such time as he might hope his friends at Ottawa would come into power and get the

credit for settling the question. He warned him that no such opportunity would be given him, however, as his Government intended to press for immediate action

E. C. Atkinson (Con., Sunbury Co.) in concluding the debate on Feb. 16, many other Members having previously spoken, endeavoured to make clear certain questions raised by Opposition Members. He first reminded the House that before Confederation the father (Sir Leonard Tilley) of their Prime Minister (Hon. L. P. D. Tilley) successfully led the Province into Confederation when it was going through troublous times on account of United States tariff action and other causes. Who, then, he asked, was better fitted to guide the destinies of the Province than Mr. Tilley. He compared the favourable financial position of New Brunswick with that of the other Provinces. Due, he said, to the Imperial Economic Conference at Ottawa, in 1930, the long lumber business "was coming back in New Brunswick" and the result was that, in 1933, 230,000,000 feet were shipped from Eastern Canada to the United Kingdom and, in 1934, he expected that 500,000,000 feet would go. With regard to building the promised pulp mill at Miramichi, he appealed to the reasonableness of Opposition Members. No one, he said, could have financed a large proposition such as a pulp and paper mill during the previous three years. He reminded the House of the difficulties of the Fraser Companies, of Price Bros. of Quebec, of the Abitibi Company, and of other large concerns. It was well-known, he said that when the Government renewed the thirty-year leases in August, 1933, they only did so because the lessees undertook to operate saw mills on the Miramichi. In consequence the Douglas town mill, the Fraser mill and the Burchell mill at Nelson, as well as Holmes and Bamford and others up the River "would operate this season." Nineteen licences were getting 36,000,000 of a cut in the Winter of 1933-34 and only about one hundred square miles of the Miramichi was idle. Lumber shipments from the Province in 1933, due to the Ottawa Conference of 1930, totalled 207,000,000 feet, and there would be 275,000,000 feet during the year 1934. Referring to the export of pulpwood from Canada, he stated that there was an increase of 122,949 cords in 1933 over 1932. The exports of boards and planks to the United Kingdom for December, 1933, showed a gain of 115 per cent. over February of the same year while employment showed a gain of 77 to 86.5 per cent. Provincial Department figures showed a gain of 163.5 per cent. in November, 1933, over February of the same year in planks and boards; and newsprint production in December, 1933, showed an increase of 39.6 per cent. over February, 1933.

After the Motion to adopt the Amendment of Mr. Dysart was lost in division 8—25, the Motion to adopt the Address-in-Reply to the Speech from the Throne was carried by the same vote reversed. F. M. Tweedie (Lib.) was paired with B. H. Dougan (Con.) and S. R. Leger (Lib.) was paired with W. H. Coffyn (Con.), both Mr. Tweedie and Mr. Leger stated that had they voted they would have supported the Amendment.

Public Accounts; the Budget of 1934. The Provincial Secretary-Treasurer, the Hon. Antoine J. Leger, in his Budget Speech on Feb. 21, 1934, announced a Deficit of $429,517, instead of the predicted one of $87,171. This was attributed to the shrinkage in the Estimated Revenue of $463,273, which was counter-balanced to some extent by a reduction of $120,926 in the Estimated Expenditures. Protection of forests from fires had been one of the major expenses during the year and stimulation of Provincial colonization. Further, in order to accelerate employment, industries had to be bonused, revenues had to be forfeited, stumpage rates had to be reduced to nominal figures, automobile licence fees had to be reduced to 50 cents per hundred pounds—this latter item compared, the Provincial Secretary said, to the rate of $1.20 per hundred pounds under the former Liberal Administration.

The Estimated Revenue for the fiscal year ended Oct. 31, 1933, was $5,632,689, and the Actual Revenue $5,169,416. The Estimated Expenditures for the same period was $5,719,860, and the Actual Expenditure, $5,598,933.

This produced an Actual Deficit of $429,517. Independent of the amount on deposit at Ottawa, Provincial Sinking Funds reached in 1933 the sum of $7,231,130, or over 15 per cent. of the Debt out of which was redeemed the unusually large amount of old debentures of $499,702, thus leaving a Net Debt of $47,413,393 ($45,942,178 in 1932) and a Sinking Fund of $6,731,428, or still over 14 per cent. of the Debt. The Provincial Treasurer pointed out that to maintain the same percentage of Sinking Funds as the former Liberal Government for a Net Debt of $47,413,393, it would require $3,271,800; "But we have $6,731,428 or a surplus of $3,459,628."

Financing on Capital Account during the year ended Oct. 31, 1933, was for a total amount of $3,694,000 at an advance rate of 4.76 per cent.; of this amount $470,000 was sold to the Sinking Fund at par at 4½ per cent. On Mar. 1, 1933, the Government sold an issue of $250,000 of 8 years and 4 months at 5 per cent. for 97.50—at a cost to the Province of 5.15; on June 1, 1933, an issue of $500,000 of 4 per cent. at 83.19—at a net cost to the Province of 5.10 per cent.; and on July 2, 1933, an issue of $2,474,000 at 98.19 at a cost to the Province of less than 5.12—this latter issue was sold in fewer than three hours.

Mr. Leger estimated a Deficit of $153,842 for the fiscal year ending Oct. 31, 1934. The Estimated Revenue he gave as $5,634,971, an increase over the previous year of $2,282; and the Estimated Expenditure as $5,788,813, an increase of $68,953 over 1932-33. Supplementary Estimates for the fiscal year 1933-34, later announced, totalled $16,900; and the Government House Trust Fund (interest on securities) $2,635. The Provincial Secretary concluded his Budget address with a Motion to go into Supply.

C. T. Richard (Lib., Gloucester), financial critic for the Opposition, commenting on the Motion on the following day (22nd), viewed with alarm the increase in the Public Debt; regretted the Deficit of the year 1932-33; saw no hope under the existing financing of putting into force such much-needed social legislation as old age pensions and mothers' allowances; and denounced the Government for "giving away Grand Falls; tying up our natural resources in the hands of merciless capitalists." Included in his critical review of the general policy of the Administration was his denunciation of the meagre sum expended on colonization in the Province and the enunciation of his belief that, eventually, "all would have to recognize" that the only solution to the existing problem was to stimulate agriculture and put into execution an extended system of land settlement. He condemned the Government for "juggling" with the deposit to their credit at Ottawa, placing it in the Sinking Fund when the law had provided ample funds for that purpose.

The Hon. W. H. Harrison, K.C. (Attorney-General) on Feb. 23, "endeavoured to dispel" some of the "erroneous ideas" which, he claimed, were the basis of the "destructive criticisms" of Mr. Richard. He explained the Government's action in having released Provincial funds held in trust by the Dominion Government and of the Order-in-Council passed authorizing the withdrawal and the ear-marking of the sum "for Sinking Funds." When this had been presented to the Dominion Minister of Finance, the latter had suggested that it be backed by an Act of the Legislature and this, he stated, would be duly presented to the House during the Session. As soon as it was passed, the money would be placed in the Sinking Fund. In refutation of the statements of Mr. Richard as to the Province's financial position, he gave figures of various items showing how the Gross Debt of the Province (mentioned by Mr. Richard as $61,000,000) was offset by assets, one item of the latter being 10,614 square miles of Crown lands formerly valued at $42,000,000, and normally capable of being capitalized at about $21,000,000. Referring to the urging by Chambers of Commerce and other business organizations for economy in public finances and their insisting that taxation should not be increased, Mr. Harrison stated that the Government had been practising economy long before such hints had been given: Public Services' expenditure had been greatly reduced, from $4,600,000 in 1932 to $2,719,000 in 1933. Drastic cuts had been taken by Members of the Legislature, members of the Govern-

ment and of the Civil Service and, wherever possible in the Public Services, without suffering to the people, reductions had been made. In all this they had followed the example of Great Britain in marked contrast to some of the other Provinces. He believed it was reasonable to assume that business was on the up-grade. He admitted that wages in the lumber industry were too low; this would be rectified by legislation during the Session. He mentioned again the aids given to industry during the previous year by the Government, and compared their expenditure of $75,000 on colonization to the sum of $5,195 in the year 1925 by the then Liberal Administration. Finally, he dealt with some of the grounds on which the claims of New Brunswick, arising from the Duncan Commission Report, were based; these included the fact that when New Brunswick's subsidy and debt allowance were given, five million dollars had been taken from the Province whereas nothing had been taken from the other Provinces; that because of large additional territory having been given to other Provinces for which New Brunswick had no compensation, the Province was at a disadvantage; and that millions of dollars were being given to Western Provinces without any compensating advantage to New Brunswick. In conclusion Mr. Harrison queried, in refutation of Opposition criticism, as to whether the question of New Brunswick's claim against the Dominion Government and the situation in the industries of the Province were not major problems, and whether the Government's efforts to secure the best legal opinion on the former and their efforts to ameliorate the latter condition, might not be considered constructive policy.

Mr. Dysart (Leader of the Opposition) on Mar. 8 resumed the debate. He claimed that the Deficit named by the Provincial Treasurer as in excess of $400,000, in reality would have been in excess of $1,000,000 if proper classification of accounts had been made. He dealt with the withdrawal from the Ottawa funds; the bond purchases of the Government; the Sinking Fund investments; and the Port Royal transaction. He declared that there had been a breach of faith with the Municipalities with regard to vocational education; decried the withdrawal of free school text books; the imposition of extra charges upon Muncipalities; and the reduction of agricultural appropriation. He charged that there was maladministration in the Public Works Department and challenged the Government to appoint a Royal Commission to investigate. He then concluded with the following Amendment to the Motion to go into Supply, which was seconded by Mr. Leger (Gloucester Co.): that it was "the opinion of this House" that any Capital Expenditure "during the present year" should be in connection with the agricultural, lumbering, mining and fishing industries; and that it was inopportune to embark on a new programme of permanent road construction under which the moneys spent would largely go outside the Province for machinery, material, etc. On the following day (the 9th) the Hon. D. A. Stewart, Minister of Public Works, warmly defended the administration of his Department against the attacks of the Opposition Leader.

The Prime Minister, in concluding the Budget debate on Mar. 15, gave to the House a survey of the Province's financial position. The Net Debt of the Province was $47,413,319 and the Bonded Debt, upon which the Province was required to pay interest, was $55,148,162 and the annual interest payable on the Bonded Debt without deduction for Sinking Fund and other interest charges amounted to $2,688,634. The Revenue of the Province in 1933 was $5,176,000 which would leave for current expenditure, after paying interest on fixed charges, the sum of $2,487,834. When the Government found, he said, that it took 55 per cent. of the current revenue to pay fixed charges for Sinking Fund upon the Bonded Debt of the Province, they believed it was time to go cautiously. It was proposed, he said, to do as other Provinces had done, to bring down an Act that would fix the amount that would be placed to Sinking Fund account at one-half of one per cent. In doing this there would still be sufficient paid into the Sinking Fund account to take care of the bonds at maturity. In this way there would be a saving of $415,618 a year. He stated that the Government had a right to withdraw from their

Ottawa account the $529,000: it belonged to the Province and had been spent particularly on roads and bridges. He claimed that, in view of the saving of $415,618 mentioned and of an expected increase in stumpage which would materially help Provincial finances as well as the Government's expectation of a very substantial return when the Dominion Government implemented the Duncan Commission Report, he was justified in promising a balanced budget for 1935. Mr. Tilley stated that the intention with regard to roads was to construct about 70 miles of hard-surfaced roads each year. He concluded by summing up the Government's programme for the immediate future: the building of an agricultural college, with Dominion assistance, at the Experimental Farm at Fredericton; the giving of cash prizes for farm produce and live stock at county exhibitions; arrangement for the provision of cold storage plants for fruit and other perishable products for the market demand; assistance for a Provincial agricultural fair at Fredericton; test borings for minerals, especially for coal and oil prospects would be proceded with as recommended by the Public Accounts Committee; a Provincial fish association would be encouraged to act under the Marketing Board; there would be an annual meeting of all the municipalities with the Government; and there would be two meetings each year of the Government and representatives of labour whether organized or otherwise.

On the vote being called the Amendment to the Motion to go into Supply was lost on division 11—25; and the main Motion was carried by the same vote reversed.

Prorogation and Legislation of the 1934 Session. Before prorogation proceedings on Mar. 27, 1934, an address of appreciation, signed by the Prime Minister and the Leader of the Opposition, was presented to the Hon. Hugh H. McLean, whose term as Lieutenant-Governor of New Brunswick was drawing to a close; this was fittingly replied to by His Honour.

The Speech from the Throne drew attention to the seventeen new Government measures that had been added to the Statutes and the twenty-one Amendments to existing Acts. Three important Acts provided for Commissions; for Forests Operations and Woodsmen; for the production, marketing and distribution of natural products; and for the control of Municipalities—these three Acts being termed as constructive legislation of a valuable kind, the necessity of which had arisen owing to existing world conditions.

A new Act consolidated the numerous Amendments of the former Motor Vehicle Act and removed all obsolete matter in the old measure. A new Succession Duty Act was necessary owing to a recent Privy Council decision; this legislation in New Brunswick was similar to measures being put through other Provincial Legislatures.

The Act to enable the establishment of a Military Training area and a Forest Experimental Station implemented the work that had been in progress during the preceding six months in an effort to establish the project in the Province and thereby assist in relieving unemployment by providing work for single men. An Automobile Insurance Act assisted in the establishment of uniform legislation in the different Provinces of Canada, one Province only being still outside the circle. The Act respecting Devolution of Estates was expected to remedy difficulties which existed in regard to property left by deceased persons. Another Act authorized the Government to provide funds up to the extent of $20,000 in order to assist the New Brunswick Museum through its existing financial difficulties.

Other legislations were Amendments to the Probate Courts' Act, The New Brunswick Companies' Act, The Municipal Debentures Act, The Provincial Loans Act, The Game Act, The Intoxicating Liquor Act, The Schools' Act, The Elections Act, which admitted women to the New Brunswick Legislature, The Gasolene Tax Act, increasing the tax from 7 to 8 cents, and The Mechanics' Lien Act.

Reports of Provincial Departments: Agriculture

The Annual Report for the fiscal year ended Oct. 31, 1933, of the Department of Agriculture under the guidance of the Hon. Lewis Smith since Sept. 1, 1933, gave summaries of activities for the year, taken from the respective Divisions in the Department. Owing to late Spring farm operations, due to cold and dry weather, there were reduced crop yields in a large part of the Province, with the exception of potatoes in the Saint John River Valley, which had been favoured with late rain. The turnip crop was poor, much of it being frozen on the ground by very early frost and snow. Price levels for most of the agricultural products reached their lowest level during 1932 and early in 1933, but a definite and steady improvement was shown toward the end of 1933, with the exception of prices for beef cattle and apples, with egg prices remaining at about the same figures as in 1932. Poultry prices were slightly lower in 1933 than in 1932. The indicated increase in lumbering operation in 1933-34 was expected to provide a larger market outlet for hay, oats, beef, pork, etc., as well as providing employment. The following tables from the Agricultural Branch, Dominion Bureau of Statistics, are: (1) a comparative summary of field crops, 1932 and 1933; (2) a comparative table of live stock production, 1932 and 1933; and (3) a summary of field crops (third estimate, published January, 1935) for 1934:

Estimated Acreages, Yield Per Acre and Total Production of Field Crops

	1932			1933		
	Acres	Yield per Acre, Bushels	Total Yield Bushels	Acres	Yield per Acre, Bushels	Total Yield Bushels
Wheat	11,300	17.7	200,000	13,500	20.1	271,350
Oats	216,500	31.3	6,776,000	210,500	29.3	6,167,650
Barley	12,000	27.7	332,000	12,300	26.0	319,800
Beans	1,000	17.5	18,000	1,100	19.4	21,340
Buckwheat	42,100	20.5	863,000	41,700	18.5	771,450
Mixed Grains	4,300	30.2	130,000	5,000	27.6	138,000
		Cwt.	Cwt.		Cwt.	Cwt.
Potatoes	48,200	80	3,856,000	46,900	115	5,394,000
Turnips	10,300	250	2,575,000	11,100	227	2,520,000
		Tons	Tons		Tons	Tons
Hay and Clover	561,200	1.57	881,000	565,800	1 09	617,000
Fodder Corn	600	5.4	3,200	500	6.80	3,400

Estimated Head of Live Stock

	1932	1933
Horses	52,900	52,880
Cattle	221,000	236,600
Sheep	131,000	120,300
Swine	96,000	72,700
Poultry	1,415,000	1,341,000

Field Crops for 1934

	Acres	Yield per Acre Bushels	Total Yield Bushels	Average Price Per Bush.	Total Value
Spring Wheat	15,600	20.4	319,000	$1.00	$ 319,000
Oats	209,100	30.6	6,403,000	0.43	2,753,000
Barley	11,300	27.2	307,000	0.60	184,000
Beans	900	17.1	15,000	1.50	23,000
Buckwheat	33,000	21.1	695,000	0.50	348,000
Mixed Grains	2,900	30.3	88,000	0.46	40,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	54,200	128 0	6,938,000	0.33	2,290,000
Turnips, etc.	11,600	225.0	2,610,000	0.28	731,000
		Tons	Tons	Per Ton	
Hay and Clover	567,200	1 07	607,000	13.60	8,255,000
Fodder Corn	500	8.78	4,000	4.50	18,000

The production of milk in 1933 was slightly less than in the previous year, due to a dry Summer, although a larger number of patrons furnished

milk and cream to cheese factories, creameries and milk plants, than previously. Twenty-four creameries operated in 1933, a new one having been established. Butter-making equipment was installed in one creamery during the year. The combined output of butter was 2,834,135 pounds, an increase of 84,905 pounds over the previous year—an improvement in the quality having been noted. Nine cheese factories operated during the season of 1933, two fewer than in 1932, the total production of cheese amounting to 313,997 pounds, a decrease of 144,316 pounds as compared with 1932. All cheese factories showed a decreased manufacture owing to loss of patronage and unfavourable weather conditions during the Summer months.

Live stock prices continued at a low level throughout 1933. The number of stallions enrolled was 31 as compared to 29 in 1932. All stallions that had been inspected prior to 1931 were re-inspected and an additional 12 were inspected—six of the total number qualifying in Class A. Society-owned bulls showed a decrease in 1933, 249 having been bonused as compared with 272 in 1932. Grants were paid to Societies covering part of the cost of 12 paddocks for bulls. The number of bulls (offered for sale) inspected for systematic grading and listing was 149. Eight grants were paid to breeders of pure-bred cattle on bulls purchased to head their herds. Additions were made during 1933 to the Restricted Area for the eradication of bovine tuberculosis.

At the World's Grain Exhibition and Conference at Regina, Sask., in July, 1933, fifteen entries of grain and grass seed from New Brunswick were awarded twelve prizes including two first prizes. At the Royal Winter Fair, Toronto, in November, 1933, eight entries of potatoes secured six of the awards. Bonuses for land clearing and first ploughing under the amended regulations were given to 2,153 persons in 1933.

An estimated increase of 10 per cent. in the apple crop of exceptionally fine quality fruit was recorded by the Horticultural Division for the year 1933 over 1932, which had had a yield of 40,000 barrels, but the product encountered a depressed market, due to heavier marketing crops in Nova Scotia and Ontario. An exhibit sent to the Imperial Fruit Show at Bristol, England, was declared by the Canadian Fruit Trade Commissioner to be equal to the best (McIntosh Reds) from British Columbia.

Nine new branches of the Women's Institutes were organized in the Province during 1933, making a total of 152, all of which did much relief work during the year. An exhibit of rugs, tweed, sheep's wool puff and blankets were sent to the Handicraft Exhibit at Winnipeg, which was displayed during the Federated Women's Institutes of Canada Convention.

Agricultural Societies in 1933 numbered 164, to which grants amounting to $18,065 were made in 1933. Thirty students were enrolled at the tenth consecutive annual six weeks' short course at the New Brunswick School of Agriculture.

The Immigration and Farm Settlement Division reported colonization as having been practically suspended, attention being given mainly to the settlers on the Farm Settlement Board farms, the total farms being 850 in the Province. Over 500 were occupied by New Brunswick people who were being encouraged to persevere in their undertakings during the existing economic depression.

The outstanding legislation of the 1934 Session of the Legislature affecting Agriculture was "The New Brunswick Marketing Act", which provided for the establishment of a Provincial Marketing Board of not more than three persons to be appointed, with remuneration, by the Governor-in-Council. The Board's duty was to inquire fully into and make a general survey of agriculture, lumbering, fishing, coal and other natural products industries, and any by-products thereof, in all their branches, and to report thereon, and to act in an advisory capacity. The personnel of the Board, appointed Apr. 3, 1934, was: J. K. King, Deputy Minister of Agriculture, Chairman; A. Neil McLean, Saint John; B. E. Cliff, Centreville, N.B.; and Felix Michaud, Buctouche, Secretary.

At the Annual Meeting of the New Brunswick Fruit Growers' Association, in Fredericton on Mar. 9, 1934, the Secretary-Treasurer, in his Report, stated that commercial shipments of New Brunswick apples, to the United Kingdom, initiated in 1931 by the New Brunswick Orchards Limited, had been continued during 1933, although general prices received were low and that for the first time in many years, New Brunswick apples were shipped to the United States. He recommended that the export of Canadian apples should come under Government regulation for systematic distribution and feeding of markets and urged the necessity of packing leading varieties in boxes or some kind of packages better suited to tender shipping than barrels. Resolutions adopted were: that the Government should be requested to arrange for "Fall sailings from Saint John as soon as practicable and that if such sailings cannot be available this year, that until they are available the provision of a reasonable export rail rate for New Brunswick points to Halifax should be insisted upon by our Government" in order to aid the apple trade with United Kingdom markets; that Amendments be made to the Injurious Insects and Pests Act of 1913, designated to make it compulsory for owners to destroy trees that were a menace to their neighbours, with the appointment of an official to see that dangerous situations were cleared up, and also to declare quarantined areas from which no fruit could be removed if liable to spread the infestation of the maggot; that the Minister of Agriculture of Canada be requested to proceed with the preparation of a farm products marketing measure; that the Annual Convention endorse the principles of the proposed new Fruit Act as prepared by the Fruit Commissioner and finally amended and approved by the Canadian Horticultural Council in Annual Meeting at Ottawa, Feb. 13-15, 1934, and recommend its enactment at the 1934 Session of Parliament; that the attitude of the Canadian Horticultural Council be endorsed protesting against the application to the Tariff Board for a duty to be placed on nicotine sulphate—Free—20—25 per cent.

Lands and Mines; Fisheries. The Department of Lands and Mines under the jurisdiction of the Hon. L. P. D. Tilley as Minister, reported for the fiscal year ended Oct. 31, 1933, a total of $485,998 as current Territorial Revenue, $24,498 in excess of the estimated revenue. Stumpage exceeded the estimate by $30,577, due principally to a large Summer cut of pulpwood. The increase in cut and consequent increase in stumpage more than offset the Credit Rebate of fifty cents per cord made on Summer peeled pulpwood, and the waiving of the additional stumpage of fifty cents per cord on account of export. Both reductions, made to increase the cut and stimulate employment, brought substantial results. Royalties increased by $9,407 over the estimate, making the total royalties $32,407. The amount of coal mined was greater than any previous year and the royalty, $9,093, greater than in 1932. Fishing leases and angling leases produced $1,344 more than the estimate, which was slightly more than the 1932 revenue from this source. There was a slight increase of 4½ per cent. in the number of non-resident fishermen visiting New Brunswick in 1933. Small increases also occurred in Fire Tax; timber licence sales and mining licences. Decreases in revenue occurred in four divisions. The revenue from all game sources dropped $6,678 below the estimate, due to the reduced number of resident licences sold. The number of non-resident hunters visiting New Brunswick showed an encouraging increase of about eight per cent. over the preceding year. Wildland tax and timber licence renewals were reduced by small amounts. Miscellaneous also dropped, very few timber licence transfers having been made during the year.

A further order in 1933 of 750,000 feet of aspen logs to the British match and basket trade, in addition to the trial order for 500,000 feet in 1932, was commented upon in the Report. It stated also that W. E. Golding had paid two visits to London, England, in the interests of the New Brunswick, Quebec and Ontario lumber industry and, in connection with the Russian Agreement, on behalf of the Dominion Prime Minister and the Canadian Lumbermen's Association. There was distinct evidence, the Report pointed out, of an increased British interest in Canadian lumber. Of the 145,000,000 feet of

exported lumber from New Brunswick in 1933, 80 per cent. went to the United Kingdom—more than double the totals in 1931 and 1932. A new plant with a capacity of 20,000,000 feet of lumber per year for manufacture was established in Saint John, employing in 1933 about 150 persons, and providing an additional market for New Brunswick white pine, spruce and hardwood. Another new plant employing 30 men had an initial capacity of 1,000,000 feet of logs per year.

On Aug. 1, 1933, the existing 20-year sawmill licences, covering some 7,686½ square miles, completed their 20-year term and under authority of existing legislation were open for extension or renewal or conversion into pulp and paper licences. There were 10,614 square miles of Crown Lands held under licence in 1933, which was only 25 miles less than in 1932, and due chiefly to the withdrawal of areas for colonization and for the military training field and forest experimental station that was being transferred to the Dominion Government. During 1933 there were 678 settlement lots approved to new settlers, an increase of nearly 100 per cent. over 1932. The appropriation for colonization during the year 1933 was increased; seed for planting and food were distributed where necessary. During the Summer of 1933 conferences regarding Colonization work were held in Fredericton and other sections of the Province; a bonus on hake fishing was given by the Government and the latter also purchased quantities of the fish for distribution among settlers on relief. The timber cut from Crown Lands during the 1932-33 season totalled 107,000,000 feet—58 per cent. greater than the estimated cut and only 7 per cent. less than the preceding year. There was a 22 per cent. increase in the amount, 466,301 cords, of pulpwood manufactured into paper or wood pulp in New Brunswick over the preceding year and unmanufactured pulpwood exported was 11 per cent. greater. Of the wood manufactured in 1933, 111,667 cords were supplied from Crown Lands (a 50 per cent. increase over 1932), the remainder having been purchased by the mills from granted lands. It was estimated that the cut from Crown Lands in 1934 would be 175,000,000 feet.

Coal production increased 59 per cent. to 269,499 tons, 1,000 miners having been employed during the year 1933. There were 73 prospecting licences issued and 397 mining claims recorded.

The total expenditure of the Department of Lands and Mines for 1933 ($267,263) was less than the preceding year, notwithstanding the over-expenditure for forest fires, bounties, colonization, and aid to new settlers.

Important legislation of the 1934 Session of the Legislature affecting the Department was the Forest Operations and Woodsmen Act under which by Order-in-Council of Apr. 3, 1934, a Commission was appointed consisting of: Hon. W. C. H. Grimmer, Chairman; John H. Wallace, and William S. Richards, Commissioners. These were to establish minimum wage scales, attend to registrations, labour disputes and other matters affecting employment in the industry. The wage scale for workers in pulpwood operations was announced on Apr. 17, 1934, as $1.00 per day net, with board, when employed by the day; or, when employed by the cord, $2.00 per cord of 138 cubic feet, cut, peeled, sawn and piled; and $1.50 per cord of 144 cubic feet, cut, sawn and piled, over and above all charges except deduction for board not to exceed 50 cents per day. Another announcement made on June 27, 1934, fixed the wage scale in logging woods at $32 a month and board, net; the minimum rate of wages for booming and sorting of logs, including pulpwood, to be 20 cents per hour; and the minimum wage scale for poplar pulpwood to be $1.85 per cord of 138 cubic feet cut, peeled, sawn and piled, over and above all charges (including filing) except a deduction for board not exceeding 50 cents per day; and on Oct. 3, 1934, the wage scale in the lumbering industry was set out as $32 a month and board net or its equivalent in case of piece work, except in the case of booming and sorting in which the minimum rate would be 20 cents an hour net.

There were 1,617 non-resident hunting and fishing licences issued in 1933, as compared with 1,542 in 1932. 794 tourist families took advantage of

the 7-day non-resident family fishing licence. Salmon licences issued increased to 372. 19,824 resident licences of all kinds were issued, 2,110 less than in the preceding year.

The production value of the fisheries of New Brunswick, according to an Advance Report of the Dominion Bureau of Statistics, Ottawa, increased to $3,061,152 in 1933 from $2,972,682 in 1932. The lobster and sardine fisheries, of chief importance, had a marketed value in 1933 of $830,363 and $622,531, respectively, a decrease in lobster from the preceding year of $211,482 and an increase in sardine of $196,182. The total quantity of fish of all kinds caught and landed during 1933 was 1,299,952 cwt. with a value to the fishermen of $1,618,842 as compared with a catch of 1,017,549 cwt. and a value to the fishermen of $1,505,203 in 1932. The capital investment of the fisheries in the Province in 1933 was $5,186,629, a decrease of $551,293 from the preceding year. There were 145 canning and curing establishments in operation as compared with 157 in 1932; and 14,629 employees engaged in the industry as compared with 15,957 in 1932.

Public Works. The Report of the Minister of the Department, the Hon. D. A. Stewart, for the fiscal year ended Oct. 31, 1933, gave the total expenditures for that period as $1,571,101, as compared with $3,272,203 for 1932. Since 1932, New Brunswick followed out the plan adopted by the other Provinces: assistance in the form of direct relief to those in need on a basis of Governments (Dominion and Provincial) and the Municipalities paying one-third each, except in the County of Northumberland where each Government paid 40 per cent. from October, 1932, to June, 1933, and in the County of Gloucester, likewise for the months of April, May and June, 1933. Accounts from Northumberland, Restigouche and Gloucester Counties led the Government to appoint a Commission to investigate conditions; the Report, however, did not disclose frauds of any kind but showed careless administration. Direct relief was resulting in a loss of initiative to a great extent and in some cases, in interference with industry. A uniform accounting system for direct relief purposes in the cities, towns and counties of the Province was being contemplated by the Government. April, 1933, saw the peak of relief costs in the Province when 12,464 heads of families with 60,346 dependants and 1,156 individual cases were assisted. Direct relief for 1933 amounted to $1,104,906. Under the terms of an Agreement with the Dominion Government of Oct. 10, 1933, the latter agreed to pay 50 per cent. of work on the Trans-Canada Highway and 40 per cent. of other projects retroactive to June 1, 1933, on colonization roads, and to Aug. 1 on other projects, the Agreement to terminate on Mar. 31, 1934.

Traffic on the Provincial roads was less than average, due to a greatly decreased tourist trade; and traffic on the ferries was also less in 1933; the receipts from ferries operated by the Department amounted to $8,671 as compared with $11,033 in 1932.

The total mileage of all roads in the Province was 11,822 miles: 1,388 miles of main trunk highways; 3,247 of secondary trunk highways; and 7,187 of branch or bye roads. The expenditure on ordinary roads was $233,753; municipal roads, $55,143; patrol, $254,732; permanent (main trunk), $248,799; and permanent (branch), $343,883—a total of $1,136,310. A comparatively small amount of permanent highway construction was carried on during the year; only absolutely necessary work was done in addition to that carried on as a relief measure—44 miles of the main trunk highway were resurfaced by contract with crushed and screened gravel; 35 miles were reconstructed by the Department and 69 miles improved. On secondary trunk highways 2.7 miles were resurfaced; 53 miles reconstructed and 384 miles improved. On branch and bye roads 32 miles were reconstructed and 346 miles improved. Maintenance and control were curtailed due to the decreased traffic in 1933. The Report stated that various phases of the work, owing to the exigencies of the times, had been curtailed to such an extent that investment in the Provincial highways was in danger of being seriously impaired.

Registration of motor vehicles again showed a decrease in 1933, of 5 per cent. in passenger cars and about one per cent. in trucks, due entirely to depressed business conditions. Revenue from motor vehicles dropped 10 per cent., partly due to a decreased registration and partly to a cut in fees of from 90 to 85 cents per hundred pounds on cars. Revenue from gasolene was up about $50,000, not due to an increased gallonage—but because the tax was 5 cents during the first five months of 1932 as against 7 cents all through 1933. Motor fatalities were half of the preceding year's total, with 20 deaths recorded in 1933, 44 in 1932, and 42 in 1931. In 1933 there were 22,890 cars registered in the Province; 3,499 trucks; 82 convertible trucks; 58 busses; 78 tractors; 67 trailers; 146 motor cycles; 53 hearses, 55 dealers and 61 service cranes.

The Provincial Secretary. In the Fifteenth Annual Report of the Workmen's Compensation Board covering the calendar year 1933, submitted to the Provincial Secretary, the advantages of an amalgamation of the New Brunswick Accident Prevention Association and the Lumbermen's Association were set forth in that they could both strive for the one goal, *viz.*, a lessening of compensation costs by lessening accidents. Of the latter during 1932 there were 18 fatal; 250 permanent partial disability; 2,582 temporary total disability; 1,536 medical aid only; and 262 non-compensable. The total claims put forward numbered 4,421. The Board's actual income for 1932 was $416,857, and the actual expenditure amounted to $418,306. The total income for the year 1933 was estimated at $502,069, and the estimated expenditure, $551,506.

The Sixth Annual Report of the New Brunswick Liquor Control Board (R. A. Fulton, Chief Commissioner) showed a marked drop in sales for the fiscal year ended Oct. 31, 1933, as compared to the preceding year, the net revenue having been the smallest since the establishment of the Board. The total sales for the year amounted to $2,176,608; the decrease of $617,576, was partly due to a reduction in prices by the Board. Sales in 1932-33 were: alcohol, $39,668, an increase of $20,909; spirits, $1,321,737, a decrease of $396,139; wine, $186,034, an increase of $3,624; and beer, $628,893, a decrease of $245,870. An Amendment to the Intoxicating Liquor Act by the Legislation in 1934 specified that "beer" should contain not less than two per cent. of proof spirits; restricted the sale of flavouring extracts to bottles containing not more than four ounces, but this did not prevent the sale of such in larger quantities to druggists, manufacturers, public institutions or wholesale dealers, nor did it apply to any preparation containing less than two per cent. of proof spirits. Another item of the Act gave authority to the Department of Health and Labour to examine, upon complaint, medicines, etc., alleged to contain more than the two per cent. of proof spirits and not sufficient medication to prevent its use as an alcoholic beverage. Still another item provided that where any information had been amended by the magistrate, with the consent of the prosecution such information was to be re-sworn.

The Fire Prevention Board reported 1,123 fires in New Brunswick for the year 1933, with a property loss of $2,188,200, comprising an insurance loss of $1,620,810 and a loss not covered by insurance of $567,390.

Health and Vital Statistics. In his Report to the Hon. H. I. Taylor, M.B., C.M. (Edin.), Minister of Health and Labour, Dr. William Warwick, Chief Medical Health Officer, stated that during the fiscal year ended Oct. 31, 1933, there had been 221 fewer cases and 54 fewer deaths from notifiable diseases in the Province than in 1932, the death rate per 100,000 population, showing a reduction from 108.4 to 93.4. There were no cases of smallpox during the period, 1932-33; there was an increase in diphtheria cases reported, from 114 in 1932 to 144, but with only 18 deaths as compared to 31 deaths in 1932. In all, 5,214 children completed the series of three inoculations during the year, making a total of over 55,000 done by Department officials during the previous five years. There was an increase in cases of typhoid from 96 in 1932 to 146 in 1933 and 11 deaths in 1932 to 19 in 1933.

Of the last total, 85 per cent. were in rural districts which total in all less than 70 per cent. of the population. Whooping cough deaths were less than one-sixth of those of the preceding year; measles about the same as during 1932; infantile paralysis, two deaths and ten cases; tuberculosis (tentative figures) about 79 per 100,000 of population.

In an estimated population of 413,000, New Brunswick recorded, for 1932, 4,554 deaths from all causes or 90 fewer than in 1931 and the lowest rate ever recorded—11.0 per 1,000 as compared to 14.7 in 1920. Due to violence there were 248 deaths, 28 of which were suicides, 3 homicides, 42 from accidental drownings and 107 ascribed to accidental injuries resulting from falling and crushing. There were 49 from automobile and motorcycle accidents of which 14 were children under 15 years of age. Preliminary figures for 1933 showed a reduction of 20 in these latter deaths, of which 7 were children. The total number of births in 1932 was 10,810, an increase of 9 over 1931, but the birth-rate showed a decline of .3 per 1,000 population. This rate, 26.2 per 1,000, was the second highest in Canada having been exceeded by Quebec only. The percentage of illegitimate births was 3.4, the same as in 1931. There were two sets of triplets and 114 sets of twins born during the year 1932. A decline in marriage was shown in the total of 2,380 in 1932 or 5.8 per cent., as compared with 6.2 in 1931.

The New Brunswick Electric Power Commission. This Provincial public utility, under the Chairmanship of E. A. Reilly, reported for the fiscal year ended Oct. 31, 1933, an operation of the generating plants at Musquash and Grand Lake, respectively: as 24,419,400 k.w.h., as compared with 18,746,300 k.w.h. for 1932 and 13,788,780 k.w.h. as compared with 18,716,-622 k.w.h. The Commission, in October, 1933, were operating 235 miles of high voltage transmission line and 695 miles of distributing lines in villages and rural districts. They were distributing electricity directly to 5,213 customers in villages and rural districts, and, in addition, power generated by the Commission was distributed through other agencies to 17,395 customers. Compared with corresponding periods of the previous year, there began in August, 1933, an increase in the consumption of power. The total amount generated during the year 1932-33 was 38,217,680 k.w.h., as compared with 37,503,222 k.w.h. for the previous year. Of the amount generated in 1932-33, 2,080,400 k.w.h. were sold as surplus seasonal power, and the actual number of kilowatt hours delivered to the various sub-stations for regular customers was 31,159,750 k.w.h., as compared with 32,301,741 k.w.h. in 1931-32. The total revenue for 1932-33 amounted to $763,517 and the total expenditure, $723,692. The actual net reserves amounted to $809,406.

Education. In his Annual Report to the Hon. A. J. Leger, Provincial Secretary, the Chief Superintendent of Education, A. S. McFarlane, stated that during the year ended Oct. 31, 1933, there was a reduction of 600 in the number of pupils enrolled in the Provincial schools—500 girls and 100 boys—but a more regular attendance had been observed, the daily percentage present being 81.25 per cent., an increase over 1932. During the school year ended June 30, 1933, 71 schools were closed, two-thirds of this number re-opening in September, 1933. The average reduction in teachers' salaries was 15 per cent., notwithstanding the fact that the Government grants to teachers were not reduced. At the end of June, 1933, there were 2,422 schools functioning. The teachers numbered 2,641: 34 in Grammar schools; 1,242 in Superior and Class I schools; 1,075 in Class II schools; 198 in Class III schools; and 92 classroom assistants. The Provincial grants for 1932-33 amounted to $344,629, and the County Fund, $240,078. The average salaries of teachers in 1933 was: Grammar school, $2,047; Superior, $1,187; Class I, male, $1,035; Class II, male, $560; Class III, male, $413; Class I, female, $854; Class II, female, $551; and Class III, female, $410. The pupils in attendance at June 30, 1933, numbered 82,825, a decrease of 600 as compared to the preceding year.

The University of New Brunswick, Fredericton, reported for the year 1933-34 a total enrolment of 357. Degrees in course were conferred as follows:

M.A., 5; M.Sc. in Forestry, 2; B.A. *ad eundem*, 4; B.A., 30; B.Sc., 13; B.C.L., 3; B.Sc. in Civil Engineering, 11; B.Sc. in Electrical Engineering, 22; and B.Sc. in Forestry, 9. During the year the University received $2,250 for its library from the Carnegie Corporation. At Convocation on May 17, 1934, the following honorary degrees were conferred: Doctor of Laws (LL.D.) on the Hon. Leonard P. D. Tilley, Prime Minister of New Brunswick, and on Chester Martin, Head of the Department of History, University of Toronto; and Doctor of Science (D.Sc.) on William MacIntosh, Curator of the New Brunswick Museum, Saint John.

At Mount Allison University during 1932-33 there were 439 students enrolled for the regular session and 262 for the Summer School and in the Extension Department, making a total of 701. Degrees conferred were: B.A., 57; B.Sc., 12; and B.Sc. in Home Economics, 6. Eight students received Engineering Certificates; 5, Secretarial; 1, Finance and Commerce, and 15, Teachers' Diplomas from the Department of Education. In commemoration of the long service of Prof. S. W. Hunton, who retired at the end of the year after having been for fifty years Head of the Department of Mathematics, the Federated Alumni and Alumnae raised $10,000 to be known as the Hunton Memorial Scholarship Fund to be used in perpetuity for University scholarships. The University received during the year, $20,000 from the Rt. Hon. R. B. Bennett (Prime Minister of Canada). The new Centennial Hall which replaced the building burned in March, 1933, was ready for use early in 1934. The honorary degree of "LL.D." was conferred at Convocation on Aug. 15, 1933, on the Rev. Thomas Albert Moore, Toronto; and that of "D.D." upon the Rev. William Ryan, Auburn, N.S., on the same day. At Convocation on May 22, 1934, the honorary degree of "LL.D." was also conferred on Frank Fraser Bond, Columbia University, New York, and on Frederick G. Morehouse, Halifax, N.S.

Only the approximate figure of 230 as its enrolment for 1933-34 could be given by Saint Joseph's University, owing to the destruction of their registers in a calamitous fire on Oct. 20, 1933, when the main building and most of the others were destroyed—the loss amounting to over half a million dollars. Temporary quarters were provided in Moncton and Saint John for the students and members of the staff who could not be housed in the University buildings saved from the fire. The 70th Commencement Exercises of the University took place June 12-13, 1934, when degrees, diplomas and special premiums were conferred: B.A., 28; B.L., 1; and Commercial Diplomas, 3. The honorary degree of Doctor of Philosophy (Ph.D.) was conferred upon Mgr. Henri D. Cormier, D.D., and Mgr. Edward Savage, P.D., both of Moncton.

The Province of New Brunswick

(As at Dec. 31, 1934)

Lieutenant-Governor.....Major-General, Hon. Hugh Havelock McLean, K.C., V.D., LL.D.

The Tilley Ministry (Conservative)

Prime Minister and Minister of Lands and Mines...Hon. L. P. de W. Tilley, LL.B., K.C.
Attorney-General .....Hon. W. H. Harrison, K.C.
Provincial Secretary-Treasurer and Clerk .....Hon. Antoine J. Leger, M.A., K.C.
Minister of Public Works .....Hon. David A. Stewart
Minister of Agriculture .....Hon. Lewis Smith
Minister of Health and Labour .....Hon. Henry I. Taylor, M.B., C.M.
President, Executive Council and Minister without Portfolio .....Hon. George H. I. Cockburn
Minister without Portfolio .....Hon. E. Albert Reilly, K.C.

Speaker, the Legislative Assembly .....Hon. Fred C. Squires

Heads of the Administrative Services

Clerk of the Executive Council .....H. Lester Smith
Deputy Attorney-General .....Ralph Perley Hartley
Acting Deputy Provincial Secretary-Treasurer.....W. Borden Trites
Deputy Minister of Lands and Mines .....G. H. Prince, B.S.F., M.S.C.
Deputy Minister of Public Works .....Arthur W. Barbour
Deputy Minister of Agriculture .....J. K. King
Superintendent of Education .....A. Stirling McFarlane, LL.D.

THE PROVINCE OF PRINCE EDWARD ISLAND

The Conservative Administration With Mr. MacMillan as Prime Minister

The reorganization of the Cabinet; the appointment of a new Lieutenant-Governor; the institution in the Province by Order-in-Council (July 31, 1933) of an old age pensions scheme; the completion and formal opening of the new Prince Edward Island and Falconwood Hospitals; the sale by the Government of two bond issues of $300,000 and $500,000; and conferences attended by the Provincial Prime Minister with the representatives of the Provinces of Nova Scotia and New Brunswick in connection with the Maritimes' rights claims to be presented to the Dominion Government previous to the setting up by the latter of a Royal Commission to investigate the Provinces' financial claims; all these were the major events that occurred in Prince Edward Island during the latter months of 1933 and the year 1934.

The death on Oct. 10, 1933, of the Hon. James D. Stewart, K.C., Prime Minister of the Province since 1931, necessitated the dissolution of the Executive Council, following which the Hon. W. J. P. MacMillan, Minister of Education and Public Health in the Stewart Ministry and Acting Prime Minister during the several months' illness which preceded Mr. Stewart's death, was called upon (Oct. 13) by the Lieutenant-Governor to form a new Government. The personnel of the Cabinet, which was sworn in the next day showed the following changes: the Hon. W. J. P. MacMillan, Prime Minister and Provincial Secretary-Treasurer, retained also the Portfolios of Education and Public Health; the Hon. H. Francis MacPhee, K.C., formerly Minister without Portfolio, became Attorney and Advocate General; and the Hon. A. A. MacDonald, who had been Speaker of the Assembly, was made Minister without Portfolio.

The Province suffered a second bereavement a few months later in the death on Dec. 9, 1933, of the Hon. Charles Dalton, Lieutenant-Governor. Announcement was made on Dec. 28 of the appointment as his successor of George DesBrisay DeBlois, to whom the oaths of allegiance and office were formally administered on Jan. 2, 1934.

The opening of two new hospitals within a year was an achievement worthy of note in the annals of the Province. That of the Prince Edward Island Hospital, equipped to accommodate 104 patients, took place on July 4, 1933, and that of the Falconwood Mental Hospital on May 1, 1934. The latter, part new construction, and part restoration of the east wing of the old building, which had been destroyed by fire on Dec. 14, 1931, was absolutely fireproof and had accommodation for from 80 to 100 persons. Building operations had taken approximately nine months, formal acceptance of the plans having been received from the Provincial Government on June 27,

1933. In the interval patients had been housed in the old Prince Edward Island Hospital which had been rented from the trustees for that purpose. Although financial conditions had necessitated the abandonment of the original, more extensive building project, it was hoped that the building of other units would be possible at a later date.

Highlights of Provincial Government financing during the year were: the issue on May 1, 1934, of $300,000 4-per-cent.-10-year bonds in connection with unemployment relief, authorized at the 1934 Session of the Legislature, and another on May 31 of $500,000 3-per-cent.-2-year bonds, under legislation enacted at the 1932 Session "to pay off bank overdraft and to rebuild public buildings."

Development of the educational life of the Province was reflected in the progress made in library work as a result of the Carnegie Library Demonstration established June 1, 1933, with headquarters in the Prince of Wales College at Charlottetown. Under the direction of Miss Nora Bateson, library branches were opened by the Demonstration at Montague, Souris, Alberton and Tignish within six months and by March, 1934, others had been started at O'Leary, Tyne Valley, Summerside, Kensington, Crapaud and St. Peter's. At that date also it was announced that a definite drive had been launched to raise funds by public subscription, amounting to $1,200 for an extra librarian and the equipment required by the Carnegie Corporation before it could grant the 4,000-volume library available to the Public Library at Charlottetown.

The 1933 Session of the Legislature

The Third Session of the Forty-Second General Assembly of Prince Edward Island was opened on Mar. 6, 1934, by His Honour the Lieutenant-Governor, the Hon. George DesBrisay DeBlois. The opening was marked by the election of a new Speaker, the Hon. Heath Strong, K.C., to succeed the Hon. Augustine A. MacDonald, M.D., C.M., who had joined the Cabinet as a Member without Portfolio when the MacMillan Government was sworn into office on Oct. 14, 1933.

The Speech from the Throne referred to the activities of the Provincial Government in connection with the Maritime Claims question, then under consideration by the Dominion Government; to the brief submitted by the Provincial Government to the Royal Commission on Banking and Currency in Canada; to the encouraging upward trend in agricultural prices, accompanied by at least average yields from all crops; to the loss of the Federal Government Technical Grant for agricultural purposes, the final payment of which had been received; to the increasing profits from the fox industry; to the need for a wider market for the fisheries of the Province; to the revival by the Government in conjunction with the Governments of Nova Scotia and New Brunswick of the Maritime Transportation Commission; to the educational developments of the year, including the activities of the Provincial Library Demonstration; to the payment of old age pensions in the Province which had commenced in July, 1933, and of which there were more than 1,200 recipients; and to the policy of strict economy in force with regard to public works, which it was planned to continue throughout the ensuing year, aside from those in operation as a result of the Federal grant for unemployment relief. In conclusion, it was stated that measures to be submitted for the consideration of the House included bills dealing with Public Utilities, Amendments to the Succession Act and other statutes.

The Address-in-Reply to the Speech was moved by W. A. Stewart (Con., 5th Queen's) and seconded by Thomas Wigmore (Con., 1st Queen's). In opening the debate, Walter M. Lea, Leader of the Opposition, censured the Government for their allegedly extravagant methods of administration and for their neglect of public works. The general inefficiency of the R.C.M.P., particularly in enforcing the Provincial Prohibition Act; the action of the Government in placing an additional tax of two cents a gallon on fishermen's gasolene; and the loss of the mackerel and cod fisheries markets were subjects of further criticism from the Opposition during the progress of the debate. The Prime Minister (Hon. W. J. P. MacMillan) and other Government Members put forth a vigorous counter-attack, Mr. MacMillan's speech also enlarging upon the items covered in the Speech from the Throne. In refutation of Opposition criticism the Conservative Members claimed that most of the financial difficulties of the Province were a legacy of the Lea Administration (Liberal) prior to 1931—that they were not due to any extravagance or maladministration of the (Conservative) Government. With regard to the future prosperity of the Province, they voiced general optimism, in view of the prospective readjustment of Maritime subsidy claims and the increase in farm and other commodity prices.

Public Accounts; The Budget. The Public Accounts for the year ended Dec. 31, 1933, tabled in the House on Mar. 16 (adopted Mar. 28), gave the total Ordinary Revenue as $1,263,063 and the total Ordinary Expenditure, less $108,805 provided for Sinking Fund, as $1,392,276, making a Deficit on Ordinary Account of $20,407.

A comparison of Provincial finances under the Conservative administration since 1931 with those under the previous Liberal *régime* formed the basis of the Budget Speech delivered by the Hon. W. J. P. MacMillan in his capacity of Provincial Secretary-Treasurer, on Mar. 20, 1934. Mr. MacMillan stated that the Debt of the Province during 1933 had been increased by $279,288, and during 1932 by $290,096, a total for the two years of $569,385. Subtracting the sum of $304,000, representing the net expenditure on the replacement of Falconwood Hospital and the Prince of Wales College, and the sum of $146,000, the net expenditure on unemployment relief, there remained, it was claimed, an increase in liabilities for the two years of only $118,000, as compared with an increase by the Liberal Government of $411,000 in 1929 and 1930 and of $544,000 in the last eight months of their (Liberal) administration. Mr. MacMillan announced that the grant to the three Provincial hospitals would be increased during the coming year by $1,000 each. Estimates for the year ended Dec. 31, 1934, showed a Deficit, exclusive of Sinking Funds, of $24,364. Total Ordinary Revenue was estimated at $1,340,821 and total Ordinary Expenditure at $1,481,390, less Sinking Fund provision of $116,205.

The brief debate on the Budget which ensued was participated in by only two Liberals and two Conservatives, following which the House resolved itself into Committee of Supply on the day after the Budget Speech (Mar. 21). The Leader of the Opposition (Mr. Lea), the first speaker in the debate, declared that the increased liabilities incurred under his administration had been due to extraordinary expenditures similar to those which Mr. MacMillan had excluded from his total. He criticized the Government severely for having failed to balance the Budget.

Legislation and Incidents of the Session. Thirty-nine Bills received the assent of the Lieutenant-Governor prior to Prorogation of the Legislature on Apr. 5, 1934. Included among them was legislation providing for the setting up of a Provincial Marketing Board in anticipation of the establishment of a similar body by the Dominion Government, with which it would co-operate; for securing to the Province the full benefits of the proposed Federal legislation to expand credit facilities for farmers; for the eviction of occupants of premises offending a third time against the Prohibition Act and the imposition of fines or imprisonment on those entering closed

premises; for the establishment of a Board of Commissioners of Public Utilities; for the authorization by the Government of debenture issues of $300,000 in connection with unemployment relief to run for a maximum of 30 years at not more than 5 per cent. interest; for the licensing of fur traders and brokers and the recording by their owners of all fur-bearing animals kept for breeding purposes; and for the regulation of the rights and priorities of landlords in assignment and winding-up proceedings.

The activities within the Province of the Royal Canadian Mounted Police, which served as the chief target of Opposition Members in several lively debates during the Session, were reviewed in a Report tabled in the Legislature on Mar. 16. Investigations made in the law enforcement and the criminal investigation branch numbered 2,304, of which 479 were under the Prohibition Act. In addition, 2,369 searches of suspected premises were made under the same Act, and 485 gallons of liquor were seized. A total of 1,295 gallons was seized under the Customs Act and 199 gallons under the Excise Act. Prosecutions conducted during the year numbered 323, and convictions resulting therefrom, 274. The sum of $7,446 was collected in fines and costs. There were 168 investigations under the Highway Traffic Act, resulting in 133 prosecutions and 115 convictions. Under the Criminal Code of Canada 650 investigations were made, resulting in 259 prosecutions and 192 convictions.

Insufficient frost-proof storage facilities to take care of the potato crop during the Autumn months was concluded to be the cause of alleged price-cutting among seed potato dealers during the Summer of 1933, according to a Report on the matter tabled in the Legislature by the Agricultural Committee on Apr. 4. It was recommended that the urgent need for such facilities at railway stations and other shipping points should be impressed upon the Dominion authorities.

Departmental Reports. According to the Annual Report of the Department of Agriculture for the year ended Dec. 31, 1933, submitted by the Hon. Thomas MacNutt, Minister of Agriculture, a survey of the live stock on Prince Edward Island farms at Dec. 31, 1933, showed a decrease in numbers compared with the preceding year: cattle and calves, 91,500 (1932, 90,600); sheep and lambs, 48,000 (1932, 54,440); swine, 37,300 (1932, 44,200); and hens and chickens, 741,100 (1932, 800,400). There were 22 creameries in operation during 1933, 12 cheese factories, and 4 milk pasteurizing plants, while ice-cream manufacturers numbered 42. The butter production was 2,088,360 lb., a decrease of 233,820 lb. from the previous year. Cheese manufactured totalled 563,308 lb., as compared with 797,024 lb. in 1932. The upward trend of the fur-farming industry was evident from the report that the average cash value for receipts for the 1933 breeding season would be considerably over $3,000,000. Egg and poultry prices, on an average, were better than in 1932, and a decided improvement was noted in the quality of poultry. The following table gives the final estimate of the area, yield and value of field crops for 1933:

	Acres	Yield Per Acre Bush.	Total Yield Bush.	Average Price Per Bush.	Total Value
Wheat	23,350	22.0	513,700	$0.86	$441,782
Oats	153,710	38.0	5,840,980	0.30	1,752,294
Barley	3,860	34.0	131,240	0.50	65,620
Buckwheat	2,020	27.0	54,540	0.55	29,997
Mixed Grains	22,000	40.0	880,000	0.40	352,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	37,600	140.0	5,264,000	0.40	2,105,600
Turnips	9,030	650.0	5,869,500	0.22	1,291,290
		Tons	Tons	Per Ton	
Hay and Clover	224,100	1.5	336,150	8.00	2,689,200

The third estimate of the area, yield and value of field crops of the Province for 1934 according to the Dominion Bureau of Statistics was as follows:

	Acres	Yield Per Acre Bush.	Total Yield Bush.	Average Price Per Bush.	Total Value
Spring Wheat	25,200	20.0	504,000	$0.93	$469,000
Oats	148,100	36.0	5,332,000	0.38	2,026,000
Barley	3,000	30.0	90,000	6.54	49,000
Buckwheat	2,000	27.0	54,000	0.60	32,000
Mixed Grains	22,100	39.0	862,000	0.48	414,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	40,200	120.0	4,824,000	0.26	1,254,000
Turnips, Etc.	10,700	300.0	3,210,000	0.24	770,000
		Tons	Tons	Per Ton	
Hay and Clover	221,400	1.07	237,000	17.00	4,029,000
Fodder Corn	300	8.80	2,600	4.25	11,000

The value of the fisheries output of the Province in 1933 was $842,315, compared with $988,919 the previous year, according to the Advance Report for 1933 issued by the Dominion Bureau of Statistics. Lobster production was 91,457 cwt., a decrease from 1932 (the record year) of 20 per cent. The catch of cod and herring showed an increase and that of smelts, a decrease. The total catch of fish of all kinds in 1933 was 223,473 cwt., with a value to the fishermen of $519,165, compared with a catch of 237,368 cwt., valued at $713,552 in 1932. The capital investment of the fisheries was valued at $1,109,877, an increase of $3,242 over the preceding year; of the 1933 total, $927,152 represented the value of vessels, etc., used in catching and landing the fish, and $182,725 was the amount invested in fish-canning and curing establishments. Those employed in the industry during the period under review numbered 4,698, compared with 4,568 employed in 1932.

In addition to the reconstruction of Falconwood Hospital and the completion, with regard to furnishings and equipment, of the new Prince of Wales College, the Department of Public Works reported various other activities during the year ended Dec. 31, 1933. There were 305 miles of road reconstructed and widened, 563 miles regraded, and 17,515 miles scraped and dragged. Eight new steel bridges were purchased and erected during the year, bringing the total in the Province to 138. Twenty-one wooden bridges were replaced with reinforced concrete culverts, making the total number of such bridges 768. Wooden bridges rebuilt in 1933 numbered 234 and those repaired, 405. Under the relief grant to the Province from the Dominion Government, 22 projects were undertaken to give employment in the districts where the need was greatest. Up to Dec. 31, 1933, employment was thereby given to 5,853 persons, with dependants numbering 16,169, making the total assisted 22,022. The number of man-days worked on a wage basis was 57,248 and the total amount of wages paid was $125,491.

The Report of the Department of Public Health for the year ended Dec. 31, 1933 (Minister, Hon. W. J. P. MacMillan, M.D., C.M.) stated that the institution of dental clinics throughout the schools in 1933 had been made possible by a Provincial Government grant. Deaths from communicable diseases during the year numbered 192 as compared with 212 in 1932. The tuberculosis death rate per 100,000 population was 71.9, while that of 1932 had been 95.5. A tentative summary of vital statistics for 1933 reported 1,900 births, 1,042 deaths (exclusive of 64 stillbirths) and 478 marriages. The final figures for 1932 were: births, 2,027; deaths, 1,051; and marriages, 456.

The 1st Annual Report of the Commission to administer the Old Age Pension Act, which came into force in the Province July 1, 1933, stated that 2,306 applications for the pension had been received, 1,143 of which had been granted. Of these, 65 had died, leaving 1,078 pensions in force at Dec. 31, 1933. It was estimated that there were 5,706 persons aged 70 years in the Province. The total amount paid out in pensions during the six-months' period was $59,817, of which $44,800, or 75 per cent., was paid by the Dominion Government.

The Chief Superintendent of Education reported 474 school districts in operation during the school year 1932-33. There were 477 schools in operation and 645 school departments. The enrolment was 18,247, an increase of 401

over that of the previous year, while the average daily attendance for 1932-33 was 13,810, an increase of 691. The percentage of attendance, 75.6, was the highest ever recorded. The enrolment of students at Prince of Wales College showed an increase of 93 for the period under review (1932-33). St. Dunstan's University had an enrolment of 125 during the 1933-34 session.

The Province of Prince Edward Island

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. George D. DeBlois

The MacMillan Ministry (Conservative)

Prime Minister, Minister of Education and Public Health, Provincial Secretary-Treasurer .. The Hon. W. J. P. MacMillan, M.D., C.M.
Minister of Public Works and Highways ..... The Hon. G. Shelton Sharp
Minister of Agriculture ..... The Hon. Thomas MacNutt
Attorney and Advocate General ..... The Hon. H. Francis MacPhee, B.A., K.C.
Minister without Portfolio ..... The Hon. Adrian F. Arsenault, B.A.
Minister without Portfolio ..... The Hon. Harry D. McLean
Minister without Portfolio ..... The Hon. Walter G. McKenzie
Minister without Portfolio ..... The Hon. Matthew W. Wood
Minister without Portfolio ..... The Hon. Augustine A. MacDonald, M.D.

Speaker, Legislative Assembly ..... The Hon. Heath Strong, K.C.

Heads of the Administrative Services

Deputy Provincial Secretary-Treasurer ..... H. R. Stewart
Clerk of the Executive Council ..... H. R. Stewart
Superintendent of Insurance ..... H. R. Stewart
Clerk of the Legislature ..... H. E. Dawson
Law Clerk ..... James B. Johnston
Supervisor of Taxation ..... C. J. Stewart, M.C.
Registrar of Motor Vehicles ..... Cyriac Gallant
Provincial Auditor ..... W. E. Massey, C.A.
Legislative Librarian ..... A. D. Fraser
Deputy Minister of Public Works and Highways ..... L. B. McMillan
Provincial Health Officer ..... B. C. Keeping, M.D., D.P.H.
Superintendent of Education ..... Herbert H. Shaw, B.SC.
Chief Clerk, Department of Education ..... P. S. Bradley
Commissioner of Crown Lands ..... W. H. Kiggins

THE PROVINCE OF SASKATCHEWAN

Economic Conditions; Political Affairs

Indebtedness continued to be a problem of general concern to the farming industry of Saskatchewan during the year 1933-34. Surveying the situation at March, 1934, *The Farm Outlook* declared that to pay the interest due on the Provincial farm debt would have required "about four-fifths of all wheat available for sale from the 1933 crop; and for the payment of farm taxes, two-fifths of this wheat." In common with the other Prairie Provinces, legislation had been enacted in Saskatchewan in order to protect the farmers against their creditors during the period of poor crops and low prices. In certain areas the farmers were still largely dependent for operations upon Government assistance in the matter of food, feed and seed; this was particularly so in the prairie section which, unlike the park belt where fair crops of grain and forage were secured, had suffered so cruelly from a combination of heat, drought and grasshopper for several years, with the result of almost complete crop failures each season. In 1933-34 the Province was faced with one of the most serious outbreaks of grasshoppers ever encountered. Every measure of control known to scientific farming was put into action. Approximately 22,000,000 acres were infested in varying degrees. Eggs laid in some fields in these areas were quoted as being less than 20 to the square foot and as high as 104 in others. Even garden plots and flower gardens in cities were not immune. A Dominion Government loan of $2,000,000 to the Province to help in the fight against the grasshopper plague was authorized by two Orders-in-Council which were tabled in the House by the Hon. E. N. Rhodes, Minister of Finance, on May 25, 1934. Wheat, the mainstay of the Saskatchewan farming industry, in 1933 yielded the smallest crop since 1920 and in value was about one-fifth of the 1928 crop which had been valued at $247,000,000. The 1934 crop was estimated at 114,200,000 bushels, about 9,500,000 bushels below 1933, but with a considerable improvement in the average price per bushel. Legislation during the 1934 Session of the Legislature for the control of the sale, delivery and marketing of the 1934-35 crop as a result of Canada's participation in the International Wheat Agreement held out prospects of a less acute situation for the Saskatchewan wheat grower. The Provincial Prime Minister, the Hon. J. T. M. Anderson, forecasting the enactment of the measure on Sept. 11, 1933, when speaking before the Canadian Credit Men's Trust Association, stated: "We should be prepared as a fair minded people, to accept what the best brains of these countries prepared and decided was best to do." He made, at the same time, a plea for co-operation, referring to the fact that the Prairies had special problems of their own. He expressed his disapproval of debt cancellation. "I sympathize with debt adjustment, but cancellation is foreign to

anything we stand for. My experience has been that the creditor class has been just as fair as other classes."

Direct relief in the Province continued to be administered through the Relief Commission, a total of 48,603 heads of families, representing 213,367 persons having been assisted during 1933-34. Of the total, 4,535 families were living in the northern part of the Province where new settlers had taken up land, and the balance, 44,068, were in the older, more settled areas. Settlers' effects, to the extent of 632 carloads, were also moved by the Commission during the year; and in an effort to assist the farmers in saving their live stock, 953 carloads were transported to grazing lands. In all, 7,598 horses, 12,803 cattle and 3,496 sheep were moved for this purpose. Increased relief assistance had been extended to a large number of the municipalities during the Winter of 1933-34, many being unable to assume any share of the cost. During this period the City of Regina put into force a new food scale with a 15 per cent. increase: for a family of 10 the new rate per month was $34.96; for a family of 6, $23.92; and for a family of 2, $12.88. In December, 1933, the Prime Minister, the Hon. J. T. M. Anderson, in a statement dealing with one of the most difficult aspects of relief, revealed that there was an "understanding" between the Provincial Government and the authorities in urban centres as to relief to transient families, that such would be undertaken by the local authorities although the entire cost would be borne by the Government.

With a view to having the greatest possible amount of information on which to base any possible future land settlement scheme and also for use if the existing migration of farmers from the dry south of the Province to the more fertile north was to be continued in increasing numbers the Provincial Government, with the assistance of the rural municipalities, undertook a Province-wide survey of available lands during 1933-34. A week previous to the announcement of the intended survey by the Minister of Municipal Affairs, the Hon. Howard McConnell, (Oct. 26, 1933) the Government had received assurance from the Dominion Prime Minister that steps would be taken at an early date to create a Commission to arbitrate Saskatchewan's claim against the Dominion Government for natural resources alienated after 1905 and before the Province took over its natural resources from the Dominion in 1930. Appointed on Dec. 29, 1933, the personnel of the Commission included the Hon. A. K. Dysart (Chairman), the Hon. H. V. Bigelow and George C. McDonald, with Oliver Master as Secretary. The Province's tentative claims involved approximately $162,000,000 and the Dominion's tentative counter-claim was for $170,000,000. The investigating body sat intermittently throughout 1934 and by the end of the year was still summing up its work.

Politically, affairs in the Province had been shaping toward a General Election from the close of the 1933 Session of the Legislature on Mar. 30, preparations having continued throughout Recess notwithstanding the statement of the Prime Minister, on more than one

occasion, that the Government would not go to the country until 1934—at the expiration of their five-year term in office. There had been the failure, early in 1933, of the Liberals, led by James G. Gardiner, to respond to the tentative Government offer of coalition: one Liberal Member, Charles McIntosh (Kinistino) had succumbed on the promise of a position in the Cabinet, only to meet defeat when he appealed to his constituents for re-election after entering the Cabinet as Minister of Natural Resources. The new Provincial political group, the Farmer-Labour Party, headed by M. J. Coldwell, which had come into being in 1932 as a result of the fusion of the United Farmers of Canada (Saskatchewan Section) and the Independent Labour Party, in Convention on July 11, 1933, definitely decided to adhere to their previously announced Socialistic platform, particularly with regard to advocacy of the use-hold system with regard to farms. (See *The Canadian Annual Review 1933*, pp. 242-43). As explained by G. H. Williams, the Party's organizer, the position of the Farmer-Labour Party was that the improvements on the farm, the home and the equipment should belong to the individual farmer, with the right to do with them as he determined; the land itself was a social instrument, to which the community as a whole should hold title.

In the same month the first National Convention of the Co-operative Commonwealth Federation, with which the Farmer-Labour Party was allied, met in Regina with J. S. Woodsworth, Member of Parliament, as provisional President of the organization (See Section: "Federal Administration and Politics" in this volume). At this date (July 1933) five Provincial political groups had nominated in all 51 candidates as follows: Conservative, 4; Liberals, 21; Farmer-Labour, 24; United Front, 1; and Independent, 1.

At a Convention of the Provincial Conservative Association on Oct. 13, 1933, Mr. Anderson (Prime Minister) was re-elected as Leader of the Provincial Party after he had submitted his resignation to a Committee which had been appointed to thresh out certain contentious matters arising from protests of a group of so-called "True Blue Conservatives," led by Dr. D. S. Johnstone who, as President of the Association at the 1932 Convention, had attacked the Co-operative Government led by Mr. Anderson in a report which the Convention had repudiated at the closing session. At the 1933 Convention the "True Blue" group urged that the Conservative Party divorce itself from the record of the Co-operative Government before the Provincial General Election.

Nominating conventions continued to be held throughout the Winter months of 1933-34, the Session of the Legislature intervening from Feb. 15 to Apr. 7, 1934. The House closed with a standing of the Parties as follows: Government, 32; Opposition, 26; and vacancies, 5—by a Redistribution measure of 1932 the membership before the Election of 1934 was to be reduced to 55. Vigorous campaigns were undertaken by the Leaders of the different Parties following the closing of the House, polling taking place on June 19 when, not only

was the entire Co-operative Cabinet defeated, but not one Government candidate was elected. On the same day as the General Election a plebiscite taken all over the Province assured the sale of beer by the glass in Saskatchewan.

The 1934 Session of the Legislature

The Speech from the Throne at the opening of the Sixth Session of the Seventh Legislature of Saskatchewan on Thursday, Feb. 15, 1934, enlarged upon the unusual difficulties still facing the people of the Province, which perhaps suffered more than any other part of Canada through the abnormal economic conditions prevailing throughout the world. Coupled with the latter were the serious disastrous crop failures covering large areas, affecting nearly 40,000 Saskatchewan farmers. The year 1933 witnessed another crop failure from drought and the serious inroad of insect pests, with the result that in 1934, 180,000 men, women and children on Saskatchewan farms were being provided with assistance through the Provincial Relief Commission which, instituted in the Autumn of 1931, had been functioning continuously since that date. Attention was drawn to the encouraging prospect of the inauguration of public works toward the assistance of the vast number of unemployed in the Province and, in addition, of a construction and maintenance of a highway programme in order to give employment to many of the farmers and others in need of assistance.

The Government of Saskatchewan, the Speech explained, by direct communication with Lloyds of London, had succeeded, during the year, in obtaining a written contract by which marine insurance rates on traffic through Hudson's Bay would be reduced 33⅓ per cent. and the period of navigation, covered by marine insurance, extended from seven weeks to three months and ten days. Direct negotiations were being conducted in 1934 by the Provincial Government with a view to obtaining material reductions on marine insurance rates on hulls, the existing rates being so high that they constituted an unnecessary and unjustifiable handicap against the Hudson's Bay route. Other Government action as outlined by the Speech consisted of the setting up of a permanent Forestry Commission to study and report on a definite scheme for a permanent forestry policy for Saskatchewan; a survey of natural water basins and depressions on the rivers and water courses in the drought area of the Provinces, with a view to retaining the spring run-off of surfaced waters and the building up and conservation of bodies of water where feasible, in order to supply water for domestic purposes, and to carry over for the stock in years of drought, and at the same time with a view to having as many bodies of water as possible, in order to assist in attracting precipitation; the construction of dams where feasible; the continued establishment of new settlers on land in the Northern part of the Province, some 4,000 settlers having already been settled during the previous four years, and an inquiry into all matters affecting the production, distribution and sale of milk, the Report of which was to be tabled in the House at the 1934 Session. The Speech also dealt with the Commission set up by the Federal Government to give consideration to the Saskatchewan Government's representations for compensation in view of the alienation of the Provincial natural resources made by the Dominion since 1905; the World's Grain Exhibition and Conference held in Regina in 1933; the Provincial representation at the London Wheat Conference; and to such purely Provincial matters as health services, including the survey made by the Government on Provincial medical economics, the report of which was to be presented also to the House during the Session. Legislation forecast included: (1) the consolidation of tax arrears and an adjustment of same; (2) Amendments to the Exemptions Act; and (3) a reduction in penalties on arrears of taxes in rural areas.

The Opposition Leader and the Prime Minister were the two principal speakers in the debate that followed. Mr. Gardiner based his attack (Feb. 19) on four main activities of the Government: school finances; the Estevan By-Election; expenditures in the Highways Department; and the allegedly

excessive increase in the Public Debt; and, after speaking for nearly two hours, wound up with an Amendment to the Motion, as follows: "We respectfully submit to your Honour that your Honour's present advisers do not possess the confidence of the citizens of Saskatchewan." The Opposition Leader had commenced his speech with a review of the controversial questions that had been injected into the 1929 Election campaign in connection with the Provincial schools, and he endeavoured to show that religious matters were no longer a practical issue, that school finances was the only issue of paramount importance. He promised that the Liberals, if returned to power, would establish a fund so specifically earmarked for educational purposes that there could be no tampering with it. School finances, he stated, would become a first charge on the taxes of the Province. In attacking the "extravagance" of the Government, he said that S. N. Horner (Prog., Francis), a Member of the Government side, had publicly revealed the terms of the arrangement under which Progressives and Independents had pledged support to the Government in 1929. Mr. Gardiner promised that if his Amendment were accepted and the Government defeated, the Opposition would vote Supply to enable the work of the Province to be carried on, but they would demand an early Election. He stated that he was opposed to the amalgamation of the two older Parties in an attempt to defeat the Socialist group, pointing out that the Liberal Party did not stand for the principle of a fusion of interests "to dictate to the people what form of Government they should have. I hope even if we get a Socialist Government it will be superior to the Coalition we have had for the last four years."

The Prime Minister's reply to Mr. Gardiner was given on Feb. 20. He vigorously defended his Government's record. He declared that the school question must remain an issue until such time as the Opposition had given assurance that they would not repeal the non-sectarian legislation placed on the Statute books by his Government. He estimated an increase in the Public Debt, but it was mostly necessary, he said, as the result of relief and Wheat Pool guarantees. He briefly summarized some of the Government's achievements since taking office: they had reformed public schools; provided work for thousands; aided land settlement; carried on social services at increased cost; provided relief for one-third of the population of the Province, securing more than $41,000,000 for relief; were instrumental in obtaining the return of the Province's natural resources; kept 50,000 farmers on their farms; reformed the Civil Service; provided good roads; introduced far-reaching health services, including cancer clinics and psychopathic wards; re-organized the industrial school for boys; placed the Co-operative Creameries on a paying basis; provided for the education of the deaf; extended technical education; enlarged the Power system; secured Provincial rights in respect of immigration; established a system of Provincial parks; provided a debt adjustment bureau; established teachers' superannuation; set up a workmen's compensation board; established Provincial air service and forestry protection; and in the agricultural field had helped to save the wheat situation by supporting the Wheat Pool at a critical time. As to finances, Mr. Anderson claimed that his Government had lowered the Deficit of the year 1933 and had brought about many economies in all branches of the Government Services. He stated that the chief problem had been to meet the abnormal and extraordinary situation experienced, and with no co-operation from the Members who occupied the Opposition front benches, the Government had endeavoured to maintain the regular normal Services. He emphasized the difficulties experienced in financing relief projects, owing to the fact that periods had been encountered when it was impossible to sell Saskatchewan bonds. This he attributed to the Statements of some Opposition Members which had broadcast the impression that the Province was bankrupt. Ultimately, he said, the Province had successfully emerged from such periods and had been able to sell its bonds. With regard to the non-sectarian feature of the school controversy, Mr. Anderson stated that many would "gasp with astonishment" at the stand of the Leader of the Opposition in 1934, as compared with that of 1929. He stated that his Government stood behind minimum salary for teachers, and that legislation to that effect would be brought down at the next Session of the Legislature.

The establishment of an Economic Advisory Board was next announced by the Prime Minister, the personnel of which, he stated, would consist of the best brains that could be obtained within or without the Province, to study the intricate problems faced by agriculturists and ranchers of Saskatchewan (*The Leader-Post,* Feb. 21, 1934). On Feb. 22, after several other Members had spoken to the Gardiner Motion, a vote was taken and the Amendment was lost on a straight Party division with all Independent and Progressive Members voting with the Government. The debate on the Motion to present an Address-in-Reply to the Speech from the Throne came to an abrupt conclusion on Feb. 26, and the Motion was adopted without division.

Public Accounts: The Budget. The Provincial Public Accounts for the fiscal year ended Apr. 30, 1933, were tabled in the Legislature on Feb. 21, 1934. They revealed a Deficit of $578,636, with an Actual Expenditure of $15,413,524 and an Actual Revenue of $14,834,887. This compared with a Revised Estimated Deficit of $1,000,000, the Provincial Treasurer having originally estimated in 1933 for a Surplus of $31,676. The Actual Deficit of $578,636 for the fiscal year 1932-33 compared with a Deficit of $5,820,289 for 1931-32 and with $3,856,000 for 1930-31.

In his Budget Speech of Mar. 8, 1934, the Hon. M. A. MacPherson, K.C., Provincial Treasurer, expressed doubts as to the Government's being able to keep the Deficit on revenue account for the fiscal year ending Apr. 30, 1934, under the one million dollar mark. Revenue in the first months of the year when there was a rise in wheat prices and prospects of crop in every portion of the Province were not only maintained but noticeably indicated buoyancy, he stated, but the effect of the hot, dry weather, however, of late June, July, and August, was immediately reflected in lower revenues. The Provincial Treasurer gave a comparative summary of main revenues to show how the collapse in prices had affected the Province's finances: Public Revenue receipts in 1932-33 with a two-mill rate was $1,389,000, $254,000 under 1929-30 with a one-and-a-half-mill rate; Succession Duties, although increased in 1932, were, in 1932-33, $177,375, as against $463,069 in 1929-30; the Corporation Tax, though substantially increased, was $751,000 in 1932-33 and $581,525 in 1929-30; the Gasolene Tax, although the Tax was doubled, was $1,394,544 in 1932-33 and $926,218 in 1929-30; Automobile licences in 1932-33 brought in $1,536,000 as against $2,017,629 in 1929-30; and Liquor Board profits in 1932-33 amounted to $864,657 as against $2,398,414 in 1929-30.

The Public Debt of Saskatchewan at Jan. 31, 1934, including Bonded indebtedness, Treasury Bills and overdrafts, totalled $145,623,000, less those items in the category of revenue-bearing and sinking funds, which left a Net Debt of $75,140,000. The principal items deducted in order to arrive at the Net Debt included such items as the Wheat Pool indebtedness of $13,752,000. Every dollar of interest owing by the Pool, the Provincial Treasurer stated, had been paid and the first principal payment had been made as well.

An analysis of the Public Accounts showed that "controllable" expenditure was reduced in the fiscal year 1932-33 by almost $3,000,000 or 40 per cent. in comparison with the year 1930-31; as an instance, the actual cost of administration in the Department of the Attorney-General in 1929-30 was $621,252 and in 1932-33 it was reduced to $146,650, notwithstanding the fact that in the interim two new services, the Security Frauds Prevention and that of the Official Guardian, had been rendered through the Department. In referring to the measure of activity on the part of the Canadian Chamber of Commerce in the matter of creating a body of public opinion favourable to the decreasing of governmental costs, the Provincial Treasurer called attention to the burden of interest weighing down the Governments, Federal, Provincial and Municipal, and reminded the House that in Saskatchewan alone, if a refunding could take place on a 3½ per cent. basis, the saving would be $1,517,345 annually.

Estimates for the fiscal year ending Apr. 30, 1935, provided for an estimated Expenditure on Revenue Account of $16,334,989, and an Estimated Revenue on Revenue Account of $16,346,475, with an Estimated Surplus of

$11,486. The Estimates provided for a Cabinet of six Members, in addition to the Prime Minister, instead of seven, who would draw salaries as Ministers of the Crown. The existing Cabinet strength was ten Members but two served without salaries. Sessional indemnities provided for 55 Members instead of 65, the reduction in the number when the Redistribution Bill would be put into force previous to the approaching General Election. The total of statutory appropriation was $1,719,322 and the total to be voted, $11,088,667, and the grand total of Estimated Expenditure, $18,807,989.

Relief expenditure in the Province since the Autumn of 1929 to the end of January, 1934, by the Government totalled $46,244,000. A further sum of $10,925,000 was expended by the Municipalities. Of the $46,244,000, the Dominion Government repaid the Province the sum of $16,606,000, and the Municipalities repaid $3,527,000, which left $26,110,000 as the Provincial share.

During the fiscal year ended Apr. 30, 1934, there was but one Bond Issue in the Province, in August, 1933, for $3,500,000, 5 per cent. debentures maturing in 1958 at a purchase price of $87.25, with an effective rate of 5.99. The actual Bonded Debt of the Province at Mar. 8, 1934, was $112,908,000. After laying a few more financial items before the House, the Provincial Treasurer presented his Motion.

W. J. Patterson (Lib., Pipestone) in opening the debate on the Budget agreed with Mr. MacPherson as to the need for lower interest rates and he suggested that all the Provinces get together with a view to obtaining a reduction in interest on bonded indebtedness. He endeavoured to show that the Government expended at an average rate of $2,675,000 per month—twice the rate of that shown under a Liberal Government during a similar period. He condemned the Government for increasing, during four and a half years, the Public Debt by $80,000,000, for doubling the annual expenditures and for accumulating deficits totalling eleven or twelve million dollars; for capitalizing "thousands and thousands of dollars" as relief expenditures that "could not be rightly so classified;" for increasing taxation; for reducing services; for capitalizing interest charges. He accused the Government of having misled the people as to the true financial situation of the Province, stating that the Government had drawn on capital reserves and credits to bolster their revenue; that they had diverted returns from capital assets sold, into revenue account, thus showing the financial position of the Department of Natural Resources in a false light—and they had mis-used school lands funds which should have remained in capital account, by classifying them as revenue. Mr. Patterson further claimed that the Government had shown as relief expenditures, items which should have been properly chargeable to highways appropriations and as a result of this practice the Department had expended money that had never been voted in the Legislature, thus expending $6,700,000 on roads where only $4,600,000 had been voted (*The Leader-Post,* Mar. 10, 1934).

Supplementary Estimates of Expenditure for the fiscal year ended Apr. 30, 1934, totalling $4,366,074, were tabled in the House on Mar. 22, 1934. This brought the total Estimated Expenditure for 1933-34 to $23,342,789. The actual vote in the Supplementary Estimates was for $12,163,173, of which $11,779,988 was chargeable to relief account and of this amount it was expected that $7,797,099 would be re-imbursed.

The debate was concluded one week after the presentation of the Budget Speech and the formal Motion of the Provincial Treasurer received the approval of the Legislature by a vote of 27 to 21 on Mar. 15. Other Members who had taken part in the debate included: J. G. Gardiner (Opposition Leader), George Spence (Lib., Maple Creek), J. R. P. Taylor (Lib., Kinistino), the Hon. Howard McConnell (Minister of Municipal Affairs), the Hon. W. C. Buckle (Minister of Agriculture), D. A. Hall (Lib., Cumberland), A. J. Marion (Lib., Ile à la Crosse), and Alexander Grant (Lib., Notukeu).

Legislation and Incidents of the 1934 Session. The Final Session of the Seventh Legislature of Saskatchewan was brought to a close on Apr. 7, 1934, one of the last items of business of the Members being the endorsation of the Report of the Public Accounts Committee after an Opposi-

tion Amendment to the Motion had been defeated, on a straight Party division vote of 22 to 27, the main Motion being agreed to on the same division reversed. The Committee had investigated, among other matters, grasshopper poison contracts; flour and coal contracts let by the Saskatchewan Relief Commission; highways machinery purchases; relief orders for clothing; and meat supplied to Regina Jail and Weyburn Mental Hospital. In addition to the 37 Bills receiving the Royal Assent at Prorogation 28 Public and 6 Private Bills had been Assented to previously, making a total of 71 enactments. The Government, throughout the Session, had consistently won a majority of at least five on all important divisions. The most outstanding legislation of the Session were the Wheat Control Bill, the new Debt Adjustment measure, which extended operations of the Board for another year; and first steps taken by another Bill towards the establishment of an extensive State medicine plan by which protection of health would be sought throughout the Province under clinics and boards—on May 1, the central administration of medical, hospital, dental and allied relief services within the 1934 relief areas of Saskatchewan was to be assumed by the Health Service Board. Another Act, to come into force Aug. 1, 1934, provided for an independent commission to administer the educational system of the Province in place of the Department of Education which was to be abolished. Three Acts pertaining to tax adjustment were: an Act respecting the postponement of issue of certificate of title to land sold for taxes; an Act to provide for the consolidation and adjustment of certain taxes; and an Act to amend the Arrears of Taxes Act.

The Control Marketing of Wheat Act was similar to the legislation introduced in the Alberta and Manitoba Legislatures on the same day. Absolute control over the movement of wheat in Saskatchewan for one year was to be vested in an "Emergency Wheat Control Board." There was no mention in the Act of the curtailment of wheat acreage. Powers of the Emergency Board were: (1) to control, possibly by licensing, the volume of wheat sales by producers in Saskatchewan in 1934-35; (2) to impose regulations on sales or deliveries of wheat; and (3) to carry out, generally, Canada's undertaking under the International Wheat Agreement. Further and enlarged powers might be granted by Order-in-Council to the Wheat Control Board as the need arose which might be (a) the power to take possession of wheat in store, in elevators, warehouses, or elsewhere in the Province; (b) to forbid dealing in wheat; (c) to require that deliveries of wheat must be made to it; (d) to contract for wheat deliveries; (e) to order payment from licensed wheat dealers to producers; (f) to dictate the terms on which wheat held by any person might be disposed of; (g) to regulate the milling of wheat for farmers in grist mills; and (h) to regulate dealing in seed wheat. No appeal to the Courts from a decision of the "Board or Joint Board" was permitted by the Act.

Resolutions receiving the approval of the House included the Motion of the Opposition Leader (Mr. Gardiner) which declared that the only permanent solution for grain marketing problems was "wider and freer markets;" and the Motion of W. O. Fraser (Con.), seconded by T. G. Davis (Lib.), that the cost of poison bait used in combatting the grasshopper menace should be borne by the whole Province and not only by the municipalities concerned.

By an overwhelming majority the Members defeated the Motion of S. N. Horner (Prog., Francis), that aimed at the suspension of the office of the Lieutenant-Governor of the Province "until such times as economic conditions will again warrant the expenditure and we respectfully suggest that, in the meantime, the necessary duties of the office be performed by the Chief Justice of the Province." On the division, 5 Government supporters and 5 Liberal Members voted for the Motion. The Hon. M. A. MacPherson, Provincial Treasurer, quoted from the B.N.A. Act, pointing out that the office of Lieutenant-Governor was "no mere creature of the Federal Executive;" and as it was rooted in the constitution, the position could not be altered by any Act, Federal or Provincial.

The Motion of Jacob Benson (Prog., Last Mountain), that a "use-lease" system of land tenure should be instituted in Saskatchewan was defeated on

a division of 1 to 50, Mr. Benson's being the one supporting vote to his Resolution. S. N. Horner (Prog., Francis), who voted against it, had seconded the Motion only that it might be brought in and debated.

The Election; Mr. Gardiner Again Prime Minister. Dissolution of the Legislature took place on May 25, 1934, and the date of the Election was announced on the same day as June 19. Nomination Day, June 12, saw 165 candidates in 50 constituencies: 56 Liberal, 52 Conservative, 53 Farmer-Labour, 3 Independent, 1 Labour, 3 United Front, and 1 Independent-Labour. The Election in the far northern seat of Athabaska had been set for July 24, Nomination Day in the riding to be June 25.

The Prime Minister's Manifesto was published on May 30. It reviewed the record of the Co-operative Government during their five years in office and the unusual problems, arising both from world-wide conditions and Provincial disasters, which had made their administration of Provincial affairs so difficult; they had demanded the enlargement of the Public Debt in order to provide sustenance to the needy of the Province, the expenditure of the Relief Commission from the time of its institution in 1931, alone, amounting to $32,000,000. Cash grants had been provided to urban municipalities to enable them to assist thousands of unemployed among their citizens; and large sums had been spent on Provincial public works as a relief measure. If returned to power the Government pledged legislation to provide more equitable school grants, a minimum salary for teachers, the earmarking of specific revenues for educational purposes, a new high school curriculum, Grade 12 correspondence courses. In the agricultural field the Government offered closer working arrangement with Great Britain and other measures to ensure better returns to the farmer, including further aid to the live-stock industry, repeal of the Wild Lands Tax and development of small home-made dams. In addition to the Health Service Board the Manifesto stated that the Government Party would erect a suitable training school for mental defectives; they would establish child's guidance clinics; and they would introduce the policy of boarding out carefully selected mental cases in rural areas. An Economic Advisory Council would be set up for the agricultural industry, taxation, Saskatchewan lignite coal and the ranching industry. They were prepared to introduce a measure to reduce further the Membership of the Legislature from 55 to 42. They promised to co-operate with the Dominion Government in an effort to deal more satisfactorily with farm indebtedness, and to call a Special Session shortly after the Election for the purpose of looking after pressing Provincial needs. Reduction in motor licence fees was pledged. Efforts would be put forward to prevent discrimination in freight rates, to bring about elimination of the abuses in labour, to assist in reducing interest rates, to modify relief indebtedness, and to set up any unemployment insurance schemes of the Federal Government, were all some of the pledges named in the Manifesto of Mr. Anderson.

The Liberal Leader, in issuing his statement of policy on June 11, explained that it was the platform of the Party provided in June, 1931, by the largest political Convention in the history of the Province, but to it amendments had been made in order to meet changed economic conditions. The main item was Liberal consideration of the special needs of Western Canada with regard to trade. Other planks were as follows: (1) that the Liberal Party would provide relief according to the needs of the people; that Notes taken for the 1931 "free gift" of ten million dollars from the Federal Government would be cancelled; (2) that tribunals would be empowered to use *moratoria* in effecting adjustments; that the Liberal Party would demand that the Federal Government should assume responsibility for debt acquired by farmers in Saskatchewan under the World War greater-production campaign; (3) that the Liberal Party would restore municipal road grants and reorganize finances for highway construction; (4) that a complete reorganization of finances would be carried out under a policy of retrenchment and reform; (5) that, with regard to social services, maternity grants would be restored and mothers' allowances and old age pensions would be restored to their former bases; (6) that free homesteads would be restored; (7) that storing up

of food and seed for future use would be encouraged; (8) that certain revenues would be earmarked for school grants in a complete reorganization of educational finances; and (9) that a public works programme, aiming to give steady employment, and natural resources development would be encouraged.

Mr. Gardiner expressed his regret that relief should have been made a political issue in the campaign. He stated that his Party was pledged to extend relief assistance commensurate with the needs of those citizens, urban or rural, who required it. They believed that the giving of relief, as and when necessary, was the prime duty of whatever Government was in power. They had no intention of playing upon the emotions or fears of those suffering hardships as a result of unemployment or failure of crops, for the sole purpose of getting votes. His Party's main criticism in this connection had been directed at the method of relief administration adopted by the Co-operative Government "and that Government's later attempt to make a virtue and a vote-catcher of a paramount and inescapable duty." He criticized "the too great overhead costs" and "unwarrantable delays, which in turn have resulted in loss of much valuable live stock, in unnecessary increase of human misery, and in aggravating the difficulties of those in need."

With regard to trade the Liberal Party promised to exercise their full influence "to free the channels of trade and commerce; to take the initiative for reduction of tariffs and removal of restrictions which now stagnate international marketing. . . . The objective of the Liberal Party in this regard is to find outlets for the surplus wheat and farm products which Saskatchewan has to sell. . . . As part of this programme, the Liberal Party will insist upon the fullest possible development of trade routes, such as Hudson's Bay. Such routes, if properly utilized, will enable Saskatchewan to trade directly with Great Britain the products it has to sell for those commodities, including the machinery of production, which it must buy."

The Liberal Party would insist, Mr. Gardiner stated, upon the immediate removal of obstructions to trade between Canada and other countries; and they were prepared to carry Saskatchewan's case in this connection direct to the centre of the Empire if proper consideration were denied by the Dominion Government. He insisted that Western problems must be met, and declared that any Government in power in Saskatchewan that thought Western problems could be solved by confining their activity to local reforms or by simply saying, "the thing cannot be done," had neither the vision nor the courage to deal with the existing situation.

Farmer-Labour speakers throughout the campaign enlarged on the policy of the Party to issue non-interest bearing bonds to debtors. M. J. Coldwell, Leader of the group, speaking at Yorkton on June 11, stated that: "What we intend to do is not to take away homes but keep bankers and friends of political parties from taking them." He claimed that Saskatchewan had a total debt of $600,000,000; and that the Liberals had not a debt adjustment policy but a postponement. Under the Farmer-Labour plan a commission would be set up, land would be revalued and non-interest bearing bonds issued to debtors, corresponding to the equity. To the creditor would be given a non-interest bearing bond payable in 30, 40 or 50 years. Coupons could be issued, and each year a coupon would be presented with each payment. Under the use-hold system the owner had the land in his possession. Once people were relieved from the existing system "the owner will not want the Torrens title", continued the speaker. "Those who have a clear title we will leave alone." (*The Leader-Post*, June 11, 1934). J. S. Woodsworth, C.C.F. Leader of Canada, in speaking in behalf of the Farmer-Labour Party at Saskatoon on June 14, stated that their success might point the way for a new economic system for the Dominion. He emphasized the importance of the Election. If it went favourably for the Farmer-Labour Party—as he believed it would—it might lead to a movement which would sweep Canada. He anticipated, he said, getting a majority of C.C.F. votes in British Columbia at the next Federal election. He admitted that he did not expect his Party to do so well in the Ontario campaign but he believed that they would make themselves felt in all other parts of Canada. Besides Mr. Woodsworth, C.C.F. speakers had come from other Provinces to assist the Farmer-Labour group, and it was

rumoured that an effort had been made to bring Socialist speakers from the United States.

An incident of the C.C.F. campaign was the resignation of two student-teachers of Notre Dame College, Wilcox, from the Young People's C.C.F. Study group of that town, upon the insistence of the Principal of the College, the Rev. Athol Murray. Mr. Coldwell, Leader of the United Farmer-Labour Party, in a public declaration termed Father Murray's action "discriminatory and partisan," and gave to the Press a letter he had written to the Archbishop of Regina, the Most Rev. J. C. McGuigan. Father Murray's contention was, that the Socialistic system, as enunciated by the C.C.F. Study group, was utterly alien to Catholic thought, and he justified his action with regard to the two youths by declaring that a Pastoral letter, issued by the Archbishop several months before dealing with Socialism, supported his viewpoint that "Socialism is not a political but an economic question." He stated that His Excellency had quoted from an Encyclical of the Holy See, dealing with Socialism as follows: "Let no member of the clergy imagine that such activity is outside of his priestly ministry on the ground that it lies in the economic sphere. It is precisely in that sphere that the salvation of souls is imperilled. Hence our desire that priests regard it as one of their obligations to devote themselves as far as possible to social theory and custom by study, observation and work and that they support in all ways those who in that sphere exercise a wholesome influence for the good of Catholics." Father Murray continued, "Following this, Archbishop McGuigan himself says: 'They must teach and influence our people—such influence to be independent of, outside of and above all political factions.'" Father Murray also quoted Cardinal Mercier, Archbishop of Malines during the Great War, as stating that "every Catholic text book of philosophy and economy condemns socialism as inadequate, unjust and subversive." He added that "the Holy See has been reiterating this since 1891." Father Murray also quoted Cardinal Villeneuve and Archbishop Gauthier. In his courteous acknowledgment of the complaint of the Leader of the Farmer-Labour Party, which was given to the Press by Mr. Coldwell, Archbishop McGuigan promised to investigate the facts of the case.

June 19, 1934, witnessed a complete landslide in Saskatchewan, not one Government candidate winning a seat. Mr. Gardiner was the only Party Leader elected. After five years in Opposition the Liberal Party was returned to power, 49 Liberal candidates being elected and 5 Farmer-Labour. When the vote was taken in the deferred constituency of Athabaska, where two Liberal candidates only had been nominated, it brought the total Liberal membership for the next Legislature to 50. Out of a total vote of 429,689 (including Athabaska) Liberal candidates won 206,191; Conservatives, or Co-operative Government, 114,913; Farmer-Labour, 103,031; Independent, 2,949; Labour, 1,420; United Front, 1,052; and Independent Liberal, 133. There were 3,619 spoiled ballots. The constituencies of Regina, Saskatoon and Moose Jaw Cities each elected two Members (this accounts for the difference of 54,798 in the number of ballots cast and the total of votes and spoiled ballots).

On July 19, a month after the General Election, the Co-operative Government tendered their resignation to the Lieutenant-Governor and, about the same time, Mr. Gardiner, having been called upon to form a Government, submitted to His Honour the list of his Cabinet, the Members of which were immediately sworn in. Subsequently, additional portfolios were taken over by several of the Ministers. (For personnel of the Cabinet see last page of this Section). Thus once again Mr. Gardiner headed a Liberal Administration. He had been Provincial Prime Minister from 1926, following the resignation of the Hon. Charles A. Dunning, until 1929, when the Liberals were defeated after a *régime* of 24 years. Out of the 55 Members of the new Legislature which was called for a brief Session on Nov. 8, 17 had been Members of the Seventh Legislature; 6 had been Members of previous Legislatures; and 32 were new Members. The Farmer-Labour group, now the official Opposition, had appointed George Williams (Wadena) House Opposition Leader at a meeting in Regina in June. The Party had definitely decided, on July 27, to change the name of the group to the Co-operative Commonwealth Federation,

Saskatchewan Section. The decision was made at the Annual Convention of the United Farmers of Canada, Saskatchewan Section, and the Saskatchewan Labour Group. The Convention, recognizing that the relationship between the educational and political activities of the U.F.C. were not definitely outlined, instructed the political directorate to formulate plans for setting up a distinct political organization. M. J. Coldwell was re-elected Provincial Leader of the group.

Several important announcements were made by the new Prime Minister during the weeks immediately following his assumption of office. A preliminary survey of Government Departmental debts was to be undertaken in addition to a survey of public debts; and new arrangements for the administration of relief were to be made. Later, three Cabinet Ministers took over the supervision of the operations of the Relief Commission. The new policy included the separation of direct relief from the provision of seed, feed and fodder, which the new Government considered as part of a plan to re-establish the agricultural industry in certain areas of the Province. The Liberal policy with regard to direct relief, which consisted of food, fuel and clothing, was based upon the principle that relief was primarily a municipal responsibility. Rural municipal councils were to assume the onus of distribution and they were empowered to collect 100 per cent. of the relief advanced, all applicants to be registered with the municipal authorities and a full history furnished, together with a full statement of any earnings. A Government circular was issued by the Department of Agriculture in September urging municipal officials to provide for the purchase of all grain crops cut as fodder at a possible base price of $5 per ton. Grain approved by the municipality, if left to ripen, making it suitable for grain, it was stated, would be bonused by the Government up to the amount required by individual municipalities for feeding purposes. To arrange for the financing of seeding operations for 1935 in the drought areas of the Province, the Government called a meeting of financial interests on Dec. 20, 1934.

Before the Service Club at Kingston, Ont., on Sept. 17, 1934, the new Prime Minister, the Hon. J. G. Gardiner, spoke on behalf of the 500,000 drought-stricken inhabitants of Saskatchewan, who, he claimed, had brought more new money into the country to turn industry's wheels than any other half million people in Canada. "The load of debt incurred to meet the national calamity should be shared by the people of Canada, if not, indeed, by the Empire itself," he declared. "The Government of Canada put 500,000 people in a position to produce as good results as any 500,000 people anywhere in Canada, and we will be well advised to keep them there to again move the wheels of industry when climatic and international difficulties pass away."

The Speech from the Throne at the opening of the Session on Nov. 8 emphasized the need for the improvement and stabilization of governing bodies, of agricultural and other industries, and of the labouring people; for the re-establishment of the agricultural industry of the Province upon the experiences of the first generation in their attempt to build permanent homes; and for the re-establishment outside the Province of the position of the Provincial Government. The Debt measure put through the new Legislature empowered a system of boards to exercise individual *moratoria* in cases where settlements could not be reached. Twenty-two Bills in all were enacted during the short period before the House adjourned on Dec. 4, 1934, to meet on Jan. 8, 1935, a Liquor Bill being left in Committee state.

Reports on the Agricultural Situation

The difficulties of the Saskatchewan wheat growers were never greater than in 1934. In 1933, Saskatchewan had produced 125 million bushels of wheat from 14.7 million acres—an average yield of 8.5 bushels per acre. This was the smallest crop reported since 1920, and it equalled the lowest yield per acre on record, that of the failure of 1919. On the prairie plains, from 8.9 million acres of wheat, 60 per cent. of the total wheat acreage of the Province, only 37 million bushels were harvested, averaging 4.1 bushels per acre, whereas in the park belt, from 5.8 million acres, 88 million

bushels were obtained, averaging 15.2 bushels per acre. The crops, other than wheat, were also virtual failures in most parts of the prairies, whereas in the park belts moderate harvests were obtained. Deprived of revenues, even from low-priced wheat, the season of 1933 gave another staggering blow to the prairie wheat farmers. *The Farm Outlook,* as a result of a survey made in 1933, gave the debt of 238 farm owners, in some of the largest farming districts of Saskatchewan, operating about 44,000 acres of land of which 37,000 acres were used for crops and summer fallow: 12 of these farmers were free from debt, the remaining 226 having obligations amounting to 1¾ millions of dollars, and averaging $7,686 per farm, or $7,298 for 238 farms. For the 238 farmers this debt averaged $18.64 per acre of crop land. Since the Summer of 1931 because of crop failures the debt per farm increased by $1,414, or $707 per farm per year. Most of this debt (77.3 per cent.) was associated with farm revenues, 39.3 per cent. being in agreements of sale, and 38 per cent. in farm mortgages. Chattel mortgages amounted to 2.7 per cent. of the total; implement debts, 3.1 per cent.; taxes unpaid, 3.3 per cent.; bank obligations, 3 per cent.; and miscellaneous debts, 10.6 per cent.

The following tables give (1) provisional estimate of the area, and yield of field crops in Saskatchewan for 1934 as compared with 1933; and (2) the preliminary estimate of the value of Saskatchewan's field crops for 1934 as compared with 1933 and 1932:

Field Crop	1933 Acres	1934 Acres	1933 Bush. Per Acre	1934 Bush. Per Acre	1933 Bush.	1934 Bush.
Spring Wheat	14,743,000	13,262,000	8.4	8.6	123,841,000	114,200,000
Oats	4,571,000	4,625,000	16.5	14.3	75,422,000	66,138,000
Barley	1,228,000	1,088,000	14.3	11.4	17,560,000	12,403,000
Fall Rye	232,200	278,000	5.8	2.9	1,347,000	806,000
Spring Rye	72,800	68,500	5.9	7.9	430,000	541,000
All Rye	305,000	346,500	5.8	3.9	1,777,000	1,347,000
Peas	500	660	8.0	6.0	4,000	4,000
Beans	200	260	6.8	4.0	1,400	1,000
Mixed Grains	23,000	20,800	13.5	10.8	311,000	225,000
Flaxseed	205,000	174,700	2.0	3.4	410,000	594,000
			Cwt.	Cwt.	Cwt.	Cwt.
Potatoes	45,700	51,300	50.0	27.9	2,285,000	1,431,000
Turnips, etc.	2,800	2,300	55.0	31.7	154,000	73,000
			Tons	Tons	Tons	Tons
Hay and Clover	162,700	158,300	1.27	1.08	207,000	171,000
Alfalfa	11,900	11,600	1.71	1.12	20,000	13,000
Fodder Corn	7,200	30,400	2.44	0.71	17,600	22,000

Field Crops	1932 Average Price	1932 Total Value	1933 Average Price	1933 Total Value	1934 Average Price	1934 Total Value
Wheat	0.35	74,043,000	0.45	55,728,000	0.57	65,094,000
Oats	0.13	13,962,000	0.17	12,822,000	0.28	18,519,000
Barley	0.19	4,446,000	0.19	3,336,000	0.36	4,465,000
Rye	0.24	1,246,000	0.29	524,000	0.41	550,000
Peas	0.60	3,300	0.90	4,000	1.10	4,400
Beans	0.72	600	1.20	2,000	1.20	1,200
Mixed Grains	0.11	38,000	0.19	59,000	0.31	70,000
Flaxseed	0.60	1,320,000	1.08	443,000	1.16	689,000
Potatoes	0.55	1,621,000	0.70	1,600,000	0.75	1,073,000
Turnips, etc.	0.50	76,000	0.59	91,000	0.80	58,000
Hay and Clover	5.50	1,205,000	4.50	932,000	5.67	970,000
Alfalfa	8.50	196,000	7.18	144,000	7.70	100,000
Fodder Corn	4.00	60,000	4.67	82,000	6.41	141,000
Total field crops	....	98,216,900	....	75,767,000	....	91,734,600

NOTE.—Average prices are per bushel for grain crops, per cwt. for potatoes, turnips, etc., and per ton for hay, alfalfa, fodder corn and sugar beets (cwt.=100 lb. and ton=2,000 lb.).

Live stock statistics estimated, at June, 1934, for Saskatchewan, showed that there were: 932,200 horses in 1934 as compared with 946,900 in 1933; 1,504,500 cattle in 1934 and 1,446,100 in 1933; 448,200 sheep and lambs in 1934 and 360,000 in 1933; 596,400 swine in 1934 and 648,600 in 1933; 10,434,300 poultry in 1934 and 10,347,900 in 1933.

Creamery butter production in Saskatchewan during 1933 reached a new old time high level by 19,318,542 pounds, an increase of 7.5 per cent. compared with 1932. Practically all this increase came during the period from June to September, after which a serious shortage of feed brought a sharp decline in production compared with the Autumn and Winter months of 1932. The factory cheese total was 758,071 pounds as compared with 541,242 in 1932. A slight uniform law was noted in the prices of dairy products, the total value increasing from $13,330,100 in 1932 to $13,667,900 in 1933. The average price of creamery butter increased from 17.2c to 18.01c per pound and cheese from 10.7c to 11.8c; and the average price of butter fat produced by creameries from 14.2c to 15.6c per pound.

The total amount of interest owing to the Saskatchewan Farm Loan Board at the end of December, 1933, amounted to nearly $3,000,000. Interest payments, including arrears, amounted to $524,868, as compared with $212,787 in 1932, and $206,187 in 1931. In 1933 the interest owing to the Board amounted to $986,888 for 1933 alone. At the end of 1933 the total amount of loans made by the Board amounted to $17,118,741 to 6,598 farm loan borrowers. In 1933 the number of loans made was 10, totalling $14,845. The position of the Government in connection with the Board as shown by the latter's Report was: amount of capital provided by the Government at Dec. 31, 1933, $15,287,037; administration expenses, $509,333, and interest owing to the Provincial Treasury, $1,771,760—the total disability being $17,508,131. Among the assets the chief items listed by the Board included $12,171,581 in first mortgages on property of borrowers; $1,707,564 in foreclosed lands; and the item of $2,918,022 in interest arrears.

The Milk Inquiry. A Commission was appointed by the Saskatchewan Government on Oct. 27, 1933, (1) to inquire into the production, processing, distribution and sale of milk in the Province; (2) to ascertain what had been accomplished by Public Utilities Boards in every Province in the control of milk prices and the facts thereof; and (3) to recommend such action and control measures in the marketing of milk in Saskatchewan as might be deemed necessary or advisable in the public interest. Sessions of the Commission were held at Regina, Moose Jaw, Swift Current, Yorkton, North Battleford, Saskatoon, and Prince Rupert. In addition the Commissioner visited Winnipeg, Calgary, and Edmonton for the purpose of interviewing parties interested in the industry.

The Report of the Commissioner, Dr. William Allen, was tabled in the Legislature on Mar. 5, 1934. The chief recommendations were: (1) that the powers of the local Government Board should be extended to include regulation and control of the production, distribution and marketing of the milk supplies of the cities of the Province along lines similar to those authorized in the Provinces of Manitoba and Alberta, the costs of this regulation and control to be borne by the industry; (2) that provisions should be made for requiring the statement of reports of a standard character at regular intervals by the distributors of market milk in order to facilitate current examinations of the situation with respect to distribution; and (3) that legislation should be enacted to tighten up enforcement of all regulations. The Commissioner stated that investigations indicated wide theories throughout the Prairie Provinces and the need for securing a safer milk supply. The Commissioner also stated that it was found that in most cities there was a considerable reduction in the consumption of milk, brought about by the decreased ability to buy and partly through the decline of urban population. This, it was found, led to the development of a large surplus of milk coupled with falling prices which reacted unfavourably to the farmer.

The Saskatchewan Wheat Pool. During the crop year 1933-34, owing to an almost complete crop failure over wide areas of the Province, a total of only 1,298,447-20 bushels of wheat were delivered to be marketed through the Pool. This compared with total deliveries to the 1932-33 Pool of 6,504,162-35 bushels and a total of 1,082,054 bushels delivered by Pool

members and marketed in the first year of the operations of the Voluntary Pool, 1931-32. The Saskatchewan Co-operative Wheat Producers Limited in the Directors' Tenth Annual Report (Nov. 7, 1934) stated that records received since the final payment for the 1933-34 Pool indicated a very considerable measure of satisfaction with the result secured for growers delivering to the Pool. Of the total deliveries amounting to 1,298,447-20 bushels marketed under the pooling system, 1,167,329-50 bushels, equal to 89.902 per cent. were delivered to Saskatchewan Pool Elevators Limited; 99,013-20 bushels, equal to 7.626 per cent., were loaded over the platform and consigned to Pool terminals, and the balance of 32,104-10 bushels equal to 2.472 per cent. was delivered to Line Elevators.

Sales of Pool wheat were completed at the close of the market on July 25, 1934, and cheques covering the final payment were mailed to growers on July 28. The initial payment for 1933-34 Pool was established at 45 cents per bushel, basis One Northern, Fort William, 10 cents per bushel higher than the initial payment made the previous year. A first interim payment of 10 cents per bushel was declared payable on Mar. 20, 1934. The gross sales of One Northern wheat, in store at Fort William, amounted to 69.586 cents per bushel as compared with 50.511 cents per bushel for grain delivered to the No. 1 Pool in the previous year. Sales and operating expenses amounted to .806 cents per bushel, as compared with .804 cents the previous year. Pool members, therefore received a net return of 68.780 cents per bushel, basis One Northern, Fort William, or an increase of 19.073 cents per bushel over the average price of 49.707 cents per bushel realized through the previous year's No. 1 Pool.

The initial payment for 1933-35 Pool was established at 50 cents per bushel, basis One Northern, Fort William, an increase of 5 cents from the initial payment established during the previous session.

The total current assets of the Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited and Modern Press Limited amounted to $17,971,567; and the total current liabilities, $11,851,436. The difference between the two figures showed the current position of the organization at July 31, 1934, to be $6,120,131. After providing for the completion of the previous building programme and work under construction at the end of the year, estimated to cost $102,300, the surplus available as working capital for the season 1934-35 amounted to $6,017,831, as compared with the working capital of $3,390,854 for the previous season.

The total current assets of the Saskatchewan Co-operative Wheat Producers Limited at July 31, 1934, amounted to $2,876,635 and current liabilities, to $965,531. The difference between these two items amounting to $1,911,104 represented the current position of the Company and was available for working capital purposes of the organization. The total income of the Producers for the year ended July 31, 1934, amounted to $426,188, inclusive of the operations of the 1933-34 Pool. The total operating expenses, exclusive of the 1933-34 Pool, amounted to $311,067, leaving a surplus of income over expenses of $115,121. The surplus of $115,120.71 was applied as a reduction of the Company's share of the 1929-30 Pool over-payment. There was included in the operating expenses of the Company the sum of $31,375 representing the operating deficit of Modern Press Limited for the year ended July 31, 1934.

A total of 58,702,063 bushels of all grain was handled through country elevators for the year ended July 31, 1934. In addition to these deliveries at their country elevators, the Saskatchewan Pool Elevators Limited, handled a total of 1,665,568 bushels of grain loaded over the platform. This made a total handling of all grain by the Company for the year ended July 31, 1934, of 60,367,633 bushels. The average handling of grain per elevator during the season under review, based on 1,019 elevators operated, amounted to 57,608 bushels of all grain, as compared with 82,049 bushels for 1932-33, and 61,155 bushels for 1931-32. During the 1933-34 season, Saskatchewan Pool Elevators Limited handled 43.20 per cent. of all wheat delivered to country elevators in the Province, as compared with 43.25 per cent. the previous year. Of all

grain delivered to country elevators in Saskatchewan, 43.51 per cent. was handled by the Pool Elevator System, as compared with 43.02 per cent. in the previous season. The combined operating earnings of the Elevators and Terminals, for the year 1933-34, amounted to $2,339,082, with a net profit of $348,153, after all demands had been met.

The United Farmers of Canada, Saskatchewan Section Limited. At the Ninth Annual Convention of the Section, at Saskatoon, July 24—28, 1934, the President, J. F. Herman, warned the members of the need to prepare for the approaching Dominion General Election at which, he expressed the hope, they might be "fortunate enough to elect a strong C.C.F. group," and, "how better," he asked, "could we direct their efforts than through our Farmers' organizations?" The Board of Directors' Report stated that, during 1933-34, forty new lodges had been formed. Records showed that at the end of the financial year there were 23,581 requisition members and 3,776 cash members, making a total of 27,357, an increase over 1932-33, of 215 members. Resolutions presented at the meeting proposed the following: (1) if the name of the political organization were to be changed, that it be either "The Co-operative Commonwealth Federation Group" or "Saskatchewan Unit;" (2) that they fight "to the last ditch" to guard their Provincial rights of debt adjustment; (3) that "defence units" information be circularized—necessary to secure protection from foreclosure and eviction; (4) that the Government be urged to assist the farmer in setting up an economic equipment capable of safeguarding their industry from unjust exploitation; (5) that the Convention endorse the Farmer-Labour and the C.C.F. programme and M. J. Coldwell as the Provincial leader; (6) that proportional representation supersede the existing system; (7) that the Convention express belief in the use-hold title policy; and (8) that the Government be asked to set up a "Farmers' Re-Establishment Committee." Other resolutions called for changes in the educational system, a cut in motor licence fees, more relief to farmers and an investigation into the entire relief situation, socialization of health services, and a drastic cut in all tax arrears.

Education and Other Departmental Reports

A continuance of the difficulties of the previous year faced the Province of Saskatchewan in financing the operations of the schools during the year 1933. Conditions were necessarily adjusted to the diminishing revenue from taxation—the largest source of revenue available for school districts. During the year 1933 the total expenditure of all school districts was reduced by approximately $1,000,000. The total liabilities of all districts (5,055 at Dec. 31, 1933) including debenture indebtedness was reduced from $11,625,324 during 1932 to $10,473,332, a reduction of $1,151,992. On the other hand, the total assets of school districts increased from $19,764,706 in 1932 to $20,145,667 in 1933. The excess of assets over liabilities at the end of 1933 was $9,672,335 as compared with $8,139,382 at the end of 1932, an increase of $1,532,953. The number of schools reported to be in operation during 1933, was 4,874, an increase of 12 over the previous year. In at least 94 other districts regular provision was made for the attendance of children of school age at adjoining districts. The average number of days schools were in operation during the year showed a substantial increase, the average of all schools being 193.54 as compared with 190.86 the previous year. Out of 4,874 schools, 4,513 operated over 180 days each and only 116 fell below 160 days.

The number of pupils enrolled in schools organized under The School Act for the year ended June 30, 1933, was 215,695, a decrease of 3,789 as compared with that of the previous year. Fifty per cent. of the decrease was accounted for in the schools in cities and towns. As related to actual enrolment the percentage of attendance for the year was 88.56, which was slightly lower than in the previous year.

During the school term ended June 30, 1933, there were 11 collegiate institutes operating, 3 technical schools, and 7 high schools: in these were 304

teachers employed and an enrolment of 10,080 pupils. In day vocational classes there were 86 teachers and 3,194 students; and in the evening vocational classes there were 54 teachers and 1,248 students.

Nineteen public libraries were in operation during 1933, sixteen of them qualifying for government grants amounting to $1,961. The libraries qualifying for grants expended $22,293 on books and periodicals as compared with $21,113 in 1932.

Students enrolled in the regular Winter classes at the University of Saskatchewan at Saskatoon numbered 1,565; in the Summer School, Correspondence and Evening classes, 838, and in the Short courses, 412, making a grand total of 2,817; and a total of 39,438 if all the Short courses for men and women, in Agriculture and allied subjects were taken into consideration. At the end of the term 271 students received degrees and 168, certificates. Changes in the staff of the University during the 1933-34 term included the resignation of Dr. Dines, Dean of the Junior College, who had accepted the headship of the Department of Mathematics in the Carnegie Institute of Technology at Pittsburg. From the Carnegie Corporation the University received during the year, $3,000 for their Library; $5,500 for Music; a set of Music Equipment for teaching; and a grant of $50,000 for University purposes. This latter sum of $50,000 was used by the University to take over Regina College and incorporate it in the University system as a Junior College. On taking over the College the University adopted a policy of co-operation with the other Junior Colleges and the Technical Schools in Regina and Moose Jaw. This plan of co-operation involved the exchange of teachers and the admission of students registered in one college to classes conducted in the others, thus giving the group of students in these two centres the benefits available from the combined staffs of these Junior Colleges. The Honorary degree of Doctor of Laws (LL.D.) was conferred at the Convocation held on May 11, 1934, on James A. MacLean, PH.D., LL.D., President of the University of Manitoba, in recognition of his distinguished services to higher education.

Notre Dame Saskatchewan, Wilcox, upon the completion of its six college buildings and the appointment of a permanent staff, received Sept. 27, 1933, full affiliation as a college of arts with the University of Ottawa, as a result of some years' effort on the part of its founder and head, the Rev. Athol Murray, formerly of Regina and Toronto. Wilcox, the seat of the college, about 25 miles south of Regina, had a population of approximately 300.

Labour and Industries. During the fiscal year ended Sept. 30, 1933, unemployment relief activities in the Province were carried on under the authority of the Dominion Unemployment and Farm Relief Act, 1931. The policy was that all assistance should take the form of direct relief only. Therefore, no public works, either Provincial or Municipal, were authorized during this period, except those works undertaken during the previous fiscal year and which were uncompleted at the end of April, 1932: these were allowed to be carried on to completion. The total expenditure for relief was $2,967,072, of which $902,705 was assumed by the Municipalities; $882,111 by the Province; and $1,182,255 by the Dominion. Direct relief was carried on under three schemes: farm labour relief; road work in Northern Saskatchewan; and direct relief to transient families. Under the first, 362 men were given employment, each farm labourer receiving a bonus of $5 per month, the cost of which was borne equally by the Province and the Dominion. Road work was undertaken for the two-fold purpose of opening up the country for settlers and providing relief for those settlers who had migrated North from the drought area of the Southern sections in search of a livelihood. The settlers requiring relief assistance performed the road work under supervision of the Department of Highways, and in return were given relief orders for the necessities of life. The total cost of this work was $36,485. As the Dominion Government had agreed to assume 50 per cent. of the cost of direct relief only for settlers (necessary food, fuel and clothing), the Province had to assume the whole cost of materials and administration, which amounted to

$20,250, while the Dominion's share was $16,235. The care of transient families by 1933 had become a great burden upon the Province, the total cost of such care in so far as the Province was concerned, being $2,303—the Dominion paying $242.

Under the Relief Settlement Agreement with the Dominion Government, Provincial Crown lands, Municipal lands, Soldiers' Settlement Lands, lands belonging to the Railway Companies (C.P.R. and C.N.R.) and privately-owned lands which could be acquired, were used to settle families who were on relief and who had an aptitude for farming. They were given one year's sustenance of $120; for building material, $50; and for breaking three acres of land, $15. Up to the end of the fiscal year 1933, 394 families were settled in various parts of the Province.

During the year 1932 (latest report available) there were 8 labour disputes in Saskatchewan, affecting 365 employees, in the following industries: coal mining, printing and publishing, plumbing, and motion picture.

Compensation and pensions paid by the Saskatchewan Workmen's Compensation Board during the calendar year of 1933 totalled $253,618. There were 4,602 firms under the Board, with total payrolls of $23,017,292. During the year 2,256 claims were lodged with the Board, 13 of which were death claims and 22 permanent disability. Total collections for the year amounted to $345,408, the Board finishing the year with an estimated surplus of $8,312. Fatalities in the Province's industries showed a downward trend during the previous four years. They totalled 17 in 1930, 13 in 1931 and 13 in each of 1932 and 1933. At the end of the latter year the Board was paying a total of 112 pensions.

Construction activities in 1933 were at a standstill in the Province, and no expansion was possible in any of the major industries. A survey, however, showed that during 1932 (latest statistics available) more than 240 small businesses were begun in the Province, including such industries as coal mines, sodium sulphate plants, flour mills, oil refineries, lumber yards, bakeries, repair shops, and garages. Coal production showed an increase of 33 per cent. over the amount produced in 1931. Saskatchewan's raw fur production for the fiscal year 1932-33 numbered 872,475 pelts, valued at $1,006,700, as against 587,942 pelts, valued at $850,109 for the corresponding period of the 1931-32 season; the most important varieties of pelts taken were muskrat, weasel, red fox, coyote and mink. In the fur-farming industry, 7,077 pelts were sold, valued at $194,338, a small increase as compared to the previous year.

Public Works and Highways. In connection with the general maintenance and administration of public buildings, the amount of $1,035,858 expended during the fiscal year ended Apr. 30, 1934, was $10,525 more than had been expended for the same services during the previous fiscal year (1933). The population of inmates of the several institutions in the Province for the year 1933-34, with 1932-33 figures in brackets, was as follows: in the two Mental Hospitals, 2,727 (2,596); in the Home for Infirm, 76 (76); in the four Provincial Jails, 403 (443), 28 (14) of these being women; and in the Industrial School for Boys, 39 (21).

No new construction on highways was undertaken by the Provincial Government during the fiscal year 1932-33, with the exception of the construction of the east approach to the projected bridge across the South Saskatchewan river at Outlook, and this work was carried on as a relief measure. During the year 14,160 lin.ft. of guard rail was erected; this was required as protection to traffic at certain dangerous points on Provincial highways which had been built in 1931 and previous years. The total mileage under maintenance in the Province was 5,956.8 miles. Of this total 3,840.3 miles were of earth grade; 2,048.7 miles, gravel surfaced; and 67.8 miles, surfaced with bituminous treated gravel. In addition to the above the Department maintained 571.8 miles of secondary and colonization roads. Bridge work during the year was confined almost entirely to urgent repairs or reconstruction of existing bridges. Other minor constructions included timber abutments, corrugated iron culvert, two pile bridges, and two pile timber bridges. During the year the Department

carried on a relief road work programme in the unorganized local improvement districts in the northern part of the Province, the work being handled by the Department of Highways for the Department of Railways, Labour and Industries, the men employed being given orders for supplies. A total of approximatly $45,000 was spent on this relief road work. The Department also carried on, in co-operation with the Department of Municipal Affairs, a programme of road and bridge work, which involved an expenditure of $58,600, and which permitted ratepayers in the unorganized local improvement districts to work out a portion of their arrears of taxes.

In the six-month period from July 1 to Dec. 31, 1932, there were reported by the Gasolene and Motor Vehicle Revenue Branch a total of 413 accidents, as a result of which 21 persons were killed and 295 injured. For the full calendar year of 1932 Saskatchewan's total of deaths from motor accidents was 34, the lowest of all the Provinces with the exception of Prince Edward Island. The total net revenue of this Branch of the Department for the year amounted to $2,996,043; this did not include gasolene tax refunds of $641,950. The total gasolene tax received by the Department amounted to $2,036,494; motor licences and other fees, $1,597,557; licences issued under the Gasolene Tax Act, $3,522; and advertising sign licences, $420.

Natural Resources. The receipts of the Department of Natural Resources for the fiscal year ended Sept. 30, 1934—with figures for the year 1932-33 in brackets—amounted to $556,362 ($550,519), with an additional $88,347 ($85,247) transferred from the Department's collections to the Treasury Department. The latter amount was made up of School Lands receipts other than principal. The expenditures during 1933-34 amounted to $425,184 (1932-33: $424,031), which left a surplus of ordinary revenue over expenditure of $131,179 (1932-33: $126,487), or if the miscellaneous School Lands revenues, other than principal collected and transferred to the Treasury Department, were added, the Departmental surplus would be $219,525 (1932-33: $211,735). During the year capital expenditures amounted to $8,512, which were made up of advances to settlers under the Land Settlement Scheme, all of which were refundable with interest but on which ultimate losses were expected. In the previous year the capital expenditures had amounted to $19,493, made up of $9,975 in advances to settlers under the Land Settlement Scheme, and $9,518 to provide Park equipment and furnishings.

There was a decrease in the number of transfers of land patents issued during the year 1933-34 covering homesteads and pre-emptions (Dominion), right-of-way (both on Provincial and School Land), and town lots, and an increase in respect of second homesteads and soldier grants, as compared with a general increase in all transfers issued in the preceding year. The total number of transfers granted for all dispositions amounted to 1,849, covering an area of 276,122.787 acres, as against 1,777 in 1932-33 comprising an area of 258,099.59 acres. The Provincial Land Regulations were amended as at Apr. 16, 1934, the most radical change being that providing for the disposition of Provincial lands without classification.

The total amount expended under the assisted settlement scheme since its inception in 1931 was 43,453 for the three-year period. The value of the improvements made by the settlers during the same period amounted to $106,921. With the assistance of the Department, the settlers had 3,491½ acres under cultivation, 1,490½ acres of new land being broken during the fiscal year 1933-34. With the possible exception of the Mennonite settlement at Northvale, Sask., comprising eighteen families, it was estimated from reports from Department officers on the progress being made by the individual settlers, that seventy-five per cent. of those originally settled under the Act would continue and eventually secure title to their property.

Timber production in the Province during the fiscal year 1933-34, with 1932-33 figures in brackets, amounted to: 59,652,392 (37,124,472) ft.b.m. lumber; 271,916 (60,919) pieces of railway ties; 327,127 (391,503) lin. ft. of piling and building logs; 28,947 (186,164) pieces of poles, rails, and fence

posts; 64,290 (52,834) cords of fuel, pulp, and boxwood and the total revenue collected amounted to $104,414. ($114,669).

During the first few months of 1934, as a result of the National Recovery Act in the United States, lumber prices began to rise and timber operators, hopeful of increased demand, exerted every effort to take out a normal cut of logs where finances permitted. The demand for railway ties improved with the release of contracts by one of the railway companies although the prices offered were lower than previously. Large quantities of fuelwood were cut in the north and shipped to relief areas in the south of the Province. The 1933 season was unusually favourable in so far as forest fire occurrence and damage were concerned, as not since the year 1921 had similar sub-normal conditions prevailed.

During the year 1933-34 the Nipawin Provincial Park was created by Order-in-Council, containing an area of 252 square miles. At Apr. 30, 1934, the total area of Saskatchewan Provincial Forests (14) and Parks (8) was 10,379.878 square miles.

The Power Commission; The Liquor Board. No increase over the preceding year was shown in the demand upon the Saskatchewan Power Commission's generating plants and transmission lines systems during 1933. Therefore, no enlargement of plant capacity was undertaken. The Commission owned and operated, in 1933, 1,357 miles of transmission line, mostly 13,200 volt, and the distribution systems in some 123 towns and villages, which were served from the System. The total quantity of electrical energy generated at the Commission plants in the year was 44,401,494 k.w.h., and the total purchased from other sources was 1,674,444 k.w.h. Approximately 85 per cent. of this energy was sold in bulk to the cities of Saskatoon, North Battleford and Swift Current, which cities in turn retailed the energy to their consumers at their own rates. The balance of the energy was retailed direct to the consumers by the Commission in the remaining 123 smaller towns and villages in the Province served by the Commission. Operations for the year showed a net loss of $77,497, after providing for operating depreciation and replacement reserves of $180,183. The total revenue was $1,114,114, operating costs were $641,733 and interest on capital invested $369,695, leaving a net operating profit of $102,686. Revenue for the year, exclusive of the revenue at Saskatoon, North Battleford and Swift Current, declined $15,682 from the former year. There was an increase in interest charges of approximately $7,000.

During the fiscal year ended Mar. 31, 1933, the Liquor Board opened two new beer and wine stores, one at Spiritwood and one at Meadow Lake, bringing the total number of beer and wine stores in operation to 124. Permits issued during the year included 297 banquet; 318 special quantity; and 146 druggists and physicians. Except in the case of the banquet permits all showed a considerable decrease as compared with the preceding fiscal year. Sales of liquor by the Board for the year amounted to $4,787,266.

Municipal Affairs. Tax levies, both for general and school purposes, decreased in all clases of municipalities for the year 1932, according to the Annual Report of the Department of Municipal Affairs for the fiscal year ended Apr. 30, 1933. In rural municipalities tax levies for general purposes had decreased 27 per cent. since 1929, and for school purposes, 35 per cent. In villages and towns the decreases in tax levies since 1930 in respect of general taxes had been 12 per cent. and 6 per cent. respectively; and in respect of school taxes, 25 per cent. and 15 per cent. respectively. In cities the decrease in general tax levies since 1931 was slight but amounted to almost 4 per cent. with respect to tax levies for school purposes. The percentage of taxes collected during 1932 fell to a new low level in all classes of municipalities. Correspondingly, arrears of taxes increased over the previous year. Redemptions from tax sales increased both in amount and proportion in each of the four classes of municipalities: rurals, villages, towns, and cities. In rural municipalities this tendency was quite pronounced as both amount and percentage

of tax sale redemptions in 1932 increased practically 100 per cent. over the results of 1931. It was evident that a decided effort was being made to prevent the loss of property threatened by tax sales. The percentage of all taxes collected in 1932 were as follows: rurals, 29.8 per cent.; villages, 46.4 per cent.; towns, 46.16 per cent.; and cities, 55.64 per cent. From 1928 to 1932 tax sale holdings increased in volume in all classes of municipalities. During 1932 this trend ceased in rural municipalities; for the first time in four years this class of municipality showed, in 1932, less invested in tax sales. The amount in default at the end of 1932 was as follows: rural municipalities, $54,625; villages, $35,346; towns, $224,701; school districts, $1,079,575; and rural telephone companies, $1,455,074.

The Local Government Board for 1933 stated that the general improvement in crop conditions was not sufficient to ensure the meeting of maturing debenture coupons on the relative due dates to the same extent as hoped for early in the season. In more than one instance, however, good crops, notwithstanding low prices, meant the collection of taxes to such an extent that delayed payments of debenture instalments were covered for more than two years. An example of quick recovery may be found in the rural municipality of Wolseley, No. 155, whose Secretary reported for 1933 that the collections for the year amounted to $74,253. Their liability to the Bank of Toronto on loans at the end of 1932 was $36,732, with current borrowings $14,200, a total of $50,932, which was all retired on Dec. 16, 1933, which released all their security held by the bank on that date.

Unfortunately relief problems of all kinds which confronted municipalities during the year 1933, meant higher tax rates and a lessening ability to meet maturing debenture obligations. Notwithstanding untoward conditions much of the capital indebtedness of municipalities and school districts was paid in full while comparatively few debenture debts were incurred.

The Board authorized the issue of debentures to the value of $368,935, a decrease from the previous year's figure of $646,235. Of the 1933 amount, $324,975 was for cities; $2,711 for towns; $800 for villages; and $40,450 for school districts.

At the three-day Annual Convention of the Saskatchewan Association of Rural Municipalities, Mar. 7-9, 1934, held at Regina, Sask., twenty resolutions were passed: these dealt with the Association's business, taxation and hospitalization. One resolution called for the repeal of the Wild Lands Tax Act: it drew attention to the announced purpose of the Federal Government to attempt a reduction of the wheat acreage, whereas the tax was designed to force land into cultivation. Another resolution had in mind power to reduce the assessment on lands permanently damaged by the soil drifting; and still another urged equalization of school taxes for rural and urban ratepayers in the same school district. Other resolutions called for a reduction by 30 per cent. of the aggregate valuation of rural municipalities of the Province and re-assessment of industries to bring them into line with land values; protested against legislation making the consolidation of Arrears of Taxes Act compulsory; asked that police protection be allowed by the Government to the municipal bailiff, if and when requested, in the matter of seizures for taxes; asked that the Convention go on record as being in favour of urging the Dominion Government to legalize sweepstakes along the lines of the Irish Sweepstakes, and that such be run under the direct control of each Province, the proceeds to be used for the benefit of medical care and treatment, hospitalization, and if possible for the establishment of a home for the indigent, aged and infirm.

Public Health. During the fiscal year ended Apr. 30, 1934, an appropriation of $1,111,045, or a *per capita* expenditure of $1.15, was allotted for the activities of the Department of Public Health, including $605,248 in hospital grants and $291,892 for the maintenance of two mental hospitals and a psychopathic ward.

During 1933, 22,396 pupils were inspected in 637 schools by nurses of the Division of Public Health Nursing of which there were 12 in number. In

addition, a doctor was assisted by the Division in the examination of 532 children at 28 infant and pre-school health conferences; 89 weighing centres were organized with an attendance of 995; 7,417 home visits were made in connection with pre-natal, infant and school cases; and 6,258 treatments were given for trachoma. Other work of the Division consisted in the sending of 3,331 layettes to indigent expectant mothers during the year.

In 1933 Saskatchewan had one hospital bed for every 240.1 of its population, and the buildings and equipment represented a capital investment of $9,012,115. Sixty-eight hospitals, included in which were three *sanatoria* for the treatment of tubercular patients and 12 Red Cross outposts, provided 939,988 days of treatment to 57,392 people or 6 per cent. of the population. These all received Government aid. In the total number of beds, 3,961, there were 853 beds reserved for patients suffering from tuberculosis, and 283 beds were set aside for isolation purposes.

Treatment was provided for 3,347 patients by the two mental hospitals during the year 1933, while the psychopathic wards treated 168 patients.

The Division of Sanitation reported 16,281 inspections during 1933. Four certificates covering the construction and extension of waterworks systems in the Province were issued by the Department, representing a total expenditure of $26,009, in addition to two certificates in connection with sewerage systems, representing an outlay of $40,095. Semi-urban and rural water supplies investigated numbered 2,362, while there were 2,155 inspections of milk supplies and 1,928 in connection with food.

The Division of Communicable Disease distributed biological products to physicians and hospitals to the amount of $11,679 in 1933.

The Provincial Laboratory made 36,498 examinations during 1933, representing a commercial value of $121,528.

In 1933 the Venereal Disease Division, under which there were four full-time free clinics, treated 1,843 patients; 1,204 of whom were suffering from gonorrhoea and 639 from syphilis; total number of treatments given, 39,669.

The Vital Statistics Division, during the year 1933, recorded 20,145 births, 5,371 marriages, and 6,024 deaths. The Marriage Act, enacted during the 1933 Session of the Legislative Assembly, came into force on July 1, 1933, and was being administered by the Division of Vital Statistics Division under the direction of the Minister of Public Health.

In accordance with the provisions of an Amendment to the Health Act of the 1934 Session of the Legislature, a Health Services Board was later set up, composed of five members with an Advisory Committee of seven members, comprising the Presidents of the following Associations: Council College of Physicians and Surgeons; College of Dental Surgeons; Pharmaceutical Association; the Hospital Association; the Council of Women; the Urban Municipalities Association; and the Association of Rural Municipalities. The Minister of Public Health was made Chairman of the Board.

The Saskatchewan Cancer Commission reported for the year 1933 a total admittance of 579 persons for examination for cancer, 338 of whom were afflicted with the disease. In addition to the 579 consultations there were 101 re-consultations, and 1,266 reviews or re-examinations, resulting in a total of 1,946, as compared with the total for 1932 of 1,108. During the 34 months in which the Clinics were in operation, the average annual increase in the number of patients admitted was 14 per cent. The Commission stated that this figure did not infer that cancer in Saskatchewan was increasing, but rather that a greater percentage of persons so afflicted were being referred to the Commission facilities.

The Bureau of Child Protection reported 1,210 children as wards of the Bureau at the end of the fiscal year 1933; this was 155 less than the previous year. Of this number 644 were boys and 566 girls. Other statistics showed that 537 wards had parents living at the time of commitment; that 113 were full orphans; and that 560 were illegitimate. Of the 259 children who ceased to be wards during the year, 8 died, 85 attained the age of 21 years, 10 were

discharged by Order-in-Council, 11 were married, and 146 were legally adopted. The Bureau had invested, on behalf of the wards, $9,009. At Apr. 30, 1933, it was paying allowance to 2,511 families, in accordance with the Mothers' Allowances Act.

The total number of pensioners on the payroll of the Old Age Pensions Branch in 1933 was 8,253, as compared with 7,588 in 1932. During 1933 a reduction was made in the pensions to married couples living together, the joint maximum monthly amount being $30. The total paid in pensions in the fiscal year 1933 was $1,767,420.

The Province of Saskatchewan

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. Hugh Edwin Munroe, O.B.E.

The Gardiner Ministry (Liberal)

Prime Minister, President of the Council, and Provincial Treasurer ..... The Hon. James G. Gardiner, B.A., LL.D.
Minister of Public Health, Provincial Secretary, and Minister in charge of The Theatres and Cinematographs Act, and The Travelling Shows Act ..... The Hon. J. M. Uhrich, M.D.
Minister of Telephones and Telegraphs, Minister of Natural Resources, and Minister in charge of The Saskatchewan Insurance Act, The Fire Prevention Act, and The Prairie and Forest Fires Act ..... The Hon. W. J. Patterson
Attorney-General, and Minister in charge of The Loan Companies Act, and The Trust Companies Act ..... The Hon. Thomas C. Davis, K.C.
Minister of Public Works, and Minister in charge of the Bureau of Labour and Public Welfare, the Steam Boilers Act, and The Power Commission Act ..... The Hon. George Spence
Minister of Highways and Transportation ..... The Hon. Charles M. Dunn
Minister of Municipal Affairs, and Minister in charge of The Employment Agencies Act, The Mines Act, and The Minimum Wage Act ..... The Hon. R. J. M. Parker
Minister of Education ..... The Hon. J. W. Estey, B.A., LL.B., K.C.
Minister of Agriculture ..... The Hon. J. G. Taggart

Speaker of the Legislative Assembly ..... The Hon. John Mason Parker

Heads of the Administrative Services

Clerk of the Executive Council ..... J. W. McLeod
Deputy Attorney-General ..... Alexander Blackwood
Deputy Provincial Secretary and Registrar of Joint Stock Companies ..... J. W. McLeod
Deputy Provincial Treasurer ..... A. Perring Taylor
Provincial Auditor ..... G. L. Hopkins
Superintendent of Insurance and Fire Commissioner ..... A. E. Fisher
Deputy Minister of Agriculture ..... F. H. Auld
Deputy Minister of Education ..... J. H. McKechnie, M.A., D.PÆD.
Deputy Minister of Telephones and Telegraphs ..... W. Warren
Deputy Minister of Municipal Affairs ..... J. J. Smith
Chairman, Saskatchewan Assessment Commission ..... Colin L. Wells
Deputy Minister of Public Works ..... J. M. Smith
Chairman, Local Government Board ..... S. P. Grosch, K.C.
Deputy Minister of Highways ..... H. S. Carpenter
King's Printer ..... (Vacant)
Deputy Minister of Public Health ..... Dr. R. O. Davison
Deputy Minister of Natural Resources ..... W. W. Amos, M.D.
Legislative Counsel ..... J. P. Runciman
Clerk of the Legislative Assembly ..... G. A. Mantle
Chairman, Public Service Commission ..... L. S. Sifton
Commissioner, Bureau of Child Protection ..... L. B. Ring
Commissioner of Publications, Libraries and Archives ..... S. J. Latta
Commissioner, Bureau of Labour and Public Welfare ..... T. M. Molloy
Chairman of the Liquor Board ..... N. B. Williams
Commissioner, Saskatchewan Farm Loan Board ..... William McInnes
Chairman, The Workmen's Compensation Board ..... Netson R. Craig, K.C.
Commissioner, Saskatchewan Power Commission ..... L. A. Thornton
Registrar, The Security Frauds Prevention Act ..... Stewart Adrain
Director of Nursing Services ..... Miss Ruby M. Simpson
Provincial Architect ..... (Vacant)
Chairman, Saskatchewan Minimum Wage Board ..... R. J. Dickinson
Chairman, Public Service Superannuation Board ..... L. S. Sifton
Chairman, Teachers' Superannuation Commission ..... R. F. Blacklock

THE PROVINCE OF ALBERTA

Economic Conditions; Reorganization of the U.F.A. Cabinet

Economic conditions in Alberta during 1933-34 were markedly similar to those in the other Prairie Provinces, a gradual upward trend being discernible in certain directions. The lowered wheat production for the crop year 1932-33 with its shrinkage in value of nearly $15,000,000, as compared with the previous year, was followed in 1933-34 by a larger yield with an increase in value of $23,000,000. At the World Grain Congress in Regina during the Summer of 1933 $26,594 was won by the Province in prizes, one being the premier world prize for Spring wheat, carried off by Alberta for the seventh time in ten years. The production of naphtha and crude oil during the calendar year 1933, of 1,013,040 barrels valued at $2,945,737, compared with 917,622 barrels valued at $2,651,035 in 1932, the increase of 10.3 per cent. being principally due to the completion of several new wells and the improved method of recovering naphtha by the processing of raw gas. A production of 1,318,512 barrels was predicted for the year 1934. Coal produced in the calendar year 1933 totalled 4,714,697 tons, valued at $11,567,000 —a decrease in production of 155,333 tons, and in value, $1,875,000, lower prices being chiefly responsible for the lowered total value.

The Government of Alberta was faced with the same problem of unemployment relief with its mounting costs as were the Governments of the other Western Provinces. Families in urban centres receiving assistance in December, 1933, numbered 5,943, or a total of 24,032 persons. This was an increase of 521 families as compared with December, 1932. In the same month, 4,758 single men were being assisted under the administration of the Relief Commission, as compared with 7,075, the previous year, the decrease being due to the Dominion Government's having taken charge of practically all of the relief camps. There were strikes involving approximately 15,000 relief workers in Alberta during May-June, 1934: 12,000 of these were in the Drumheller Valley and 250 in Edmonton. Both groups demanded a substantial increase in food, rental and clothing allowances. In answer to delegations from the strikers, a definite statement of the Government's position in the matter was made by the Provincial Prime Minister, the Hon. J. E. Brownlee: it was to the effect that unemployment relief in Alberta was being administered on the basis of a Report made by the Advisory Relief Committee and adopted by the Government and that no change whatever in the general principles of the plan would be considered. Details of administration, methods of distribution, and adjustment of specific grievances would be dealt with as the need arose, each case on its merits, but there would be no increase in food allowances

beyond periodical revisions due to changes in market prices. Similar statements were made by Mr. Brownlee in answer to appeals for increase in food quotas by the mayors of the larger cities during their several conferences with the Government. Relief in Alberta was costing more than $5,000,000 per year, $425,000 being paid out each month to recipients. The Hon. J. H. Lymburn (Attorney-General), speaking before a U.F.A. meeting, contrasted this cost with the expense of Government administration in all branches which he placed at $8,196,957 (1934 Estimates). Total outstanding Provincial borrowings, mainly for relief purposes, from the Dominion Government at Mar. 31, 1934, according to a statement from the Government, amounted to $8,082,000.

The unfortunate position of the Provincial Telephone System was another problem confronting the Government. In Calgary, alone, 6,061 telephones had been disconnected during the year 1933, either temporarily or permanently, for non-payment of charges and in the same year 142 telephones in rural lines had been taken out for the same reason. The recommendation of a New York expert, brought to the Province for consultation by the Government during the 1934 Session of the Legislature, was that $10,500,000 of the debts of the System should be wiped off and provision made for approximately $5,000,000 in the reconditioning of the rural lines. Two months after prorogation the Prime Minister announced that the Report of a Committee of the Legislature which had been studying the whole question was before the Government (June 4) and that as he considered it one of their major problems he had asked the Hon. George Hoadley, Minister of Agriculture and Minister of Health, to take over the Portfolio of Telephones. He stated, further, that Mr. Hoadley would be relieved of the Portfolio of Agriculture, which had been accepted by Frank S. Grisdale, Member for Olds, but that he would still retain the Health Department. Both new Members were sworn in the same day (June 4).

The further reorganization of the Cabinet, which took place on July 10, owing to the resignation of the Prime Minister, was not wholly unexpected. Announcement had been made on Sept. 22, 1933, not long after he had concluded his work as a member of the Royal Commission on Banking and Finance, that Mr. Brownlee was to be sued for the seduction of an eighteen-year old girl. The writ had been issued through the Supreme Court channels and claimed unstated damages and costs. The suit had been entered by Allen C. MacMillan, father of the girl, Vivian MacMillan, and the girl herself who was employed as a stenographer at the Government Buildings. The civil action, in which the stated sum of $20,000 was claimed from Mr. Brownlee, was heard in the latter part of June, 1934. It was concluded on July 1, the jury of six finding in favour of the plaintiff and awarding $10,000 to Miss MacMillan and $5,000 to her father. Mr. Justice W. C. Ives who presided, made plain his disagreement with the verdict and stated he would write a short judgment after he had satisfied and refreshed his mind. On June 30, the day

before the conclusion of the case, a $10,000 counter-claim suit of the Prime Minister against Vivian MacMillan and John Coldwell, third-year student at the University of Alberta, who had proposed marriage to Miss MacMillan, charging them with conspiracy to obtain money, had been dismissed by the Judge. On July 4, the judgment was rendered, dismissing the action with costs, which overruled the jury's verdict. Mr. Justice Ives, in his judgment, stated that it was quite clear "that the daughter left her home in Edson on the approval and consent of her parents and was accompanied to Edmonton by her mother. It is equally undoubted that no illness resulted from the seduction, and no evidence that the ability of the daughter to render services was in any way interfered with. . . . . In my opinion the matter is well settled that damage is the gist of the action, and I am also of the opinion that the damage necessary to found the right of action in the woman must be of the same character as gave the master his right of action—that is, loss of service. . . . . In my view of the law the action must be dismissed with costs including costs of discovery and only one bill should be taxed." Under the judgment the MacMillans were required to pay the legal costs of Mr. Brownlee as well as their own. A public request on behalf of the MacMillans for funds to carry the case to a higher Court was made by the Edmonton Executive of the Canadian Civil Liberties Protective Association. An appeal to the Appellate Division of the Supreme Court of Alberta was launched on July 20. One of the reasons given for the appeal was the contention that the Trial Judge erred in dismissing the action after instructing the jury that damages might be assessed if it was found that the plaintiff had been seduced.

The Prime Minister immediately after the jury's verdict, had tendered his resignation to the Lieutenant-Governor. He later announced that he was retaining his seat in the House. The Hon. Richard G. Reid, Provincial Treasurer and Minister of Municipal Affairs and Lands and Mines, was chosen to succeed Mr. Brownlee as Prime Minister at a caucus of U.F.A. Members of the Legislature following their acceptance of Mr. Brownlee's resignation. Besides Mr. Reid, five other members of the Brownlee Cabinet were given office in the new Executive Council, and three new members were included. The only member of the Brownlee Cabinet not retained was the Hon. O. L. McPherson, Minister of Public Works. The new members included: the Hon. J. J. MacLellan (Taber), Minister of Public Works, the Hon. J. Russell Love (Wainwright), Provincial Treasurer, and the Hon. Hugh W. Allen (Grande Prairie), Minister of Lands and Mines and Municipal Affairs. After the usual formalities, the members of the new Cabinet were sworn in on July 10, 1934, by the Lieutenant-Governor (see last page of this Section for list).

An announcement of interest concerning the Province was made in August, 1934. It was the new payment plan of assistance to Alberta from the Dominion Government: this was to comprise a monthly

grant of $100,000 for direct relief and loans aggregating over $1,000,000 to Alberta cities and relief projects. Loans to cities, aggregating $750,000 were: to Edmonton, $500,000; to Calgary, $200,000; and to Lethbridge, $50,000. To complete the Jasper highway the Dominion Government were to advance $125,000 and they offered $150,000 to assist in the completion of the Alberta section of the Trans-Canada Highway. A further amount of $25,000 which the Dominion was to contribute was for the payment of labour costs on a new building being erected at the Ponoka Mental Institution. In the following month (September) the Provincial Government issued its Public Accounts Statement for the fiscal year ended Mar. 31, 1934, which showed that instead of the anticipated Surplus of $9,700 they were confronted with a Deficit of $1,878,031. The estimated Revenue of $16,791,840 had only reached the sum of $15,178,607 and the planned Expenditure of $16,782,140 had actually run to $17,056,639. During this same month the Royal Commission appointed by the Dominion Government for the purpose of investigating the Natural Resources claims of Alberta opened its sittings in Ottawa. October witnessed the Proclamation of Alberta's new Trade and Industry Act which empowered the Administration to establish wage codes, supervise labour conditions and control price levels.

The 1934 Session of the Legislature

The Fourth Session of the Seventh Legislative Assembly of Alberta was opened on Feb. 8, 1934, by the Lieutenant-Governor, the Honourable William Legh Walsh. The Speech from the Throne gave a *résumé* of conditions in the Province during the preceding year and of the prospects for an improvement in the current year (1934). The agricultural outlook was promising to the extent that prices of farm commodities, both field crop products and live stock, had improved, but crop failures in certain areas had added to the perplexing problems of the preceding year and a forecast was made that the Assembly would be asked to consider what further steps should be taken by the Government to meet these problems and what action might be taken within the legislative jurisdiction of the Province to assist and expedite national recovery. The Speech stated that the Debt Adjustment Act of the 1933 Session had been demonstrated during the year with general satisfaction both to debtors and creditors by the Board appointed by the Government and it predicted the putting through of Amendments to the Act during the 1934 Session. It mentioned that the low price of farm products had prevented debtors from substantially reducing their obligations, but believing that higher prices might make adjustment of debts more feasible, the Provincial Government were again recommending to the Dominion Government certain Amendments to the Bankruptcy Act which would greatly facilitate efforts of the Board in adjusting debts. Further comments in the Speech from the Throne were to the effect: (1) that there was no appreciable decrease in unemployment in the Province, municipalities having been assisted during the year in carrying on the payment of direct relief to needy families; (2) that a Committee had been appointed by the Government to make a survey of the sources and incidence of taxation in the Province and that the Tax Consolidation Act of the 1933 Session had greatly assisted in meeting the problem of payment of arrears of taxes; (3) that the Province had recommended to the Dominion Government that provisions should be made by the latter for a scheme of short and intermediate credits to meet more adequately the requirements of agriculture and that it had agreed to subscribe a portion of the capital requirements—and to these the Assembly would be asked to give their approval; (4) that the problem of milk distribution in the larger centres of

population had engaged the attention of the Board of Public Utilities Commissioners under the authority conferred upon them at the 1933 Session of the Legislature; (5) that the difficulties faced by the school boards in keeping their schools in operation had never been greater than during the preceding year; (6) that health conditions had continued to be satisfactory throughout the Province and that there had been no outbreak of any major communicable disease during the year; (7) that the Committee appointed to continue the Inquiry into State medicine would submit its Report to the Government which in turn would submit it to the Legislature; and (8) that, owing to the high interest rates prevailing, the Government had been unable to embark upon extensive public works involving capital expenditure but every effort had been made to maintain the Provincial highway system. Legislation forecast by the Speech included revisions of the Town, Village, Solemnization of Marriage and Succession Duties Acts; and an Act to provide for the orderly payment of debts as well as measures amending certain Statutes.

One new Member was introduced, William Henry Ross, the successful Liberal candidate in the By-Election of Jan. 15, 1934, in the constituency of Calgary, left vacant by the death of the sitting Member, George H. Webster, former Liberal House Leader. Three other candidates had been in the field besides Mr. Ross—Amelia Turner, Labour-U.F.A.; E. H. Starr, Progressive-Labour; and C. F. Jamieson, the People's candidate. The vote, taken under the single transferable system, elected Mr. Ross in the third count. The votes polled were as follows: Ross, 8,666; Turner, 8,058; Jamieson, 4,168; and Starr, 1,096.

W. R. Howson, Liberal Leader, opening the debate on the Address Motion, accused the Government of failing to smash "the combine that controls the price of gas and oil" in the Province. He stated that "every year, as soon as harvest starts, gas and oil are advanced in price because it is known that the farmers must have them at once. Have the Government taken steps to stop this bleeding of the farmers? They have not, and I will tell you why. Because the Imperial Oil Company owns this Government." (*The Calgary Herald*, Feb. 12, 1934). The Liberal Leader concluded his speech with a non-confidence Amendment to the Motion which, in part, stated that the Government had failed to recognize the existing welfare or future interests of residents on the Lethbridge Northern and other irrigation projects, or to protect the public investment in these enterprises; that they had failed to properly provide for the future of the settlers in the drought areas; that they had neglected to arrange a reasonable works programme for the unemployed; that they failed to see that adequate relief was given in especially needy cases; that they had failed to assist reasonably the debtors and creditors in the adjustment and statement of their respective claims; that they had increased the already heavy burden of taxation; that they had neglected the Provincial Telephone system with the result that it was in a most chaotic condition and would evidently result in a loss probably extending to $15,000,000; that they had incurred a Debt out of all proportion to the number of people in the Province who must bear the burden; and that they "had improperly interfered with the administration of justice . . . . . and the result is that your Advisers have lost the confidence of the Members of the Assembly and the electors of the Province and should, therefore, resign."

D. M. Duggan, Conservative Leader, continued the debate on Feb. 13. He claimed that the best interests of Alberta could not be served by the Government. "We have concentrated our attention on one phase of Provincial development only, and with the collapse of agriculture we have witnessed a policy of drift and procrastination until to-day all sorts of theories are being advanced and the thinking of our people in this Province is marked by instability and recklessness. Socialistic propaganda has become rampant. Our position among the Provinces of Canada will soon become one of isolation. The sober-minded men must get together with a readiness to sink party and group differences, and agree on a common pro-

gramme, in order that we may continue to occupy a high position among the Provinces of Canada." The Conservative Leader declared that his Party was, in principle, in agreement with the Howson Amendment calling for the resignation of the Government, with the exception of one remark made by the Liberal Leader which they could not subscribe to without further information. Given this evidence they would fully endorse his general indictment of the Government. "I refer," he said, "particularly to the statement that the Government has improperly interfered with the administration of justice. If my honourable friend believes that to be so, he should have stated his case during his address. The charge is a serious one. It must not be allowed to go unchallenged. In fact, his first duty on entering this House should have been to call for a Royal Commission to investigate immediately. . . . . This unfortunate wording has closed the door to our support of the Amendment. At the same time we share the view that the Government of this Province has lost the confidence of the Members of this Assembly and the electors of this Province, and should resign." Mr. Duggan then moved an Amendment to this effect, seconded by H. C. Farthing (Con., Calgary).

The Hon. Perren Baker (Minister of Education) defended the Government's record on the same day. Referring to the increased Public Debt about which so much had been said, he stated that the increase in Alberta had been lower, in proportion, than in other Provinces. Debts had also increased under other Provincial and the Dominion Governments, he stated. As to Mr. Howson's suggestion that holders of Alberta bonds should be asked to reduce their interest rate by one-half, he said that this would be excellent if it could be done but the bond-holders were in all parts of the country; few were in the Province. He promised that the Budget would be balanced when times improved. If they did not improve neither Alberta's Budget nor any other could be balanced.

The Prime Minister (Mr. Brownlee) resumed the debate on Feb. 19. He first replied to Opposition criticism. Later, he dealt with points of a reconstruction programme. He scorned the charges made by Mr. Howson that the Imperial Oil Company owned the Government and he challenged him to produce proof. "The allegation is untrue," he declared, "if the Company is a large one, we are not responsible. If the Company has divided and sub-divided its stock, we are not responsible." Emphasizing the need for interest reduction, Mr. Brownlee said that the Dominion also should use drastic powers in their own refunding issue of 1934 in making the interest rate lower. The Dominion also should co-operate, he stated, in refunding the existing Unfunded Debt and any maturities of the Provinces over a five-year period by guarantee. If the amount involved were around $100,000,000 the saving to the Provinces under such a plan would be considerable. He stated, as had been announced in the Speech from the Throne, that legislation would be brought down to provide for a "modified code" to protect business from destructive competition and assure fair prices and wages. He made special mention of retail merchants, dry cleaners and oil distributors, while also noting the particular position of the coal industry. "There must be a united drive by both the Federal and Provincial Governments," he said, "to increase prices of primary commodities, particularly wheat and live stock." He advocated the cutting down of wheat production and the formation of a wheat board or a national control of wheat marketing. As to intermediate and short-term credits, he said that there was great need of this relief for agriculture in the West. He believed in help to the farmer in the buying of farm implements. As to debt adjustment, he claimed that the initial purpose was to maintain the farmer on the land. (*The Calgary Herald,* Feb. 20, 1934).

By a vote of 34 to 17 the Conservative Amendment to the Liberal Amendment of non-confidence to the Address Motion was defeated Feb. 26. Supporting the Amendment to the Amendment were also Liberals and one Independent; opposition were the solid ranks of the Government supported by two Liberal Members. The debate on the Liberal Amendment

continued until Feb. 28 when it was defeated by a vote of 13 to 39, the Amendment being supported by 13 Liberals only, Conservatives and Independent groups walking out of the House to avoid taking part in the vote. Supporting the Government were 4 Labour Members. This concluded the debate on the Address-in-Reply to the Speech from the Throne, when the main Motion was adopted without a recorded division of the House. In all, 44 Members took part in the debate, including the 27 Members on the Opposition side.

Government Financing: The Budget Speech, 1933. Public Accounts for the year ended Mar. 31, 1933, showed that on General Revenue Fund account operations had resulted in a Deficit of $2,107,521, instead of the Estimated Surplus of $149,200, as compared with the Deficit of $5,153,051 in the fiscal period of 1931-32. Estimated Revenue for the year, 1932-33, was $18,207,227 and Actual Revenue, $15,426,265. Estimated Expenditure was $18,058,027 and Actual Expenditure, $17,361,561.

The Provincial Treasurer, the Hon. R. G. Reid, in his Budget Speech, delivered on Mar. 8, 1934, stated that the Net Funded and Unfunded Debt of the Province at Dec. 31, 1933, was $144,044,627, made up as follows: Gross Funded Debt, $139,733,010, less Sinking Fund of $8,007,017, leaving a Net Funded Debt of $131,725,993 and to which was added the Net Unfunded Debt of $12,318,633. Properly deductible from the total of $144,044,627 were realizable or income-producing Assets of $37,710,186, leaving a Net General Debt of $106,334,440, or a *per capita* of $138.64.

Alberta Government Telephones reported a deficit, without provision for depreciation, of $277,007. The total cost of Unemployment Relief to all authorities during 1932-33 amounted to $4,542,908, as against $6,354,303 in 1931-32. Of the 1932-33 total, the Province's share was $1,907,402. The calendar year 1933 closed with a total amount on deposit in Savings Certificates of $9,075,289, which showed a net increase of $490,000 over 1932—the first since 1929. Mr. Reid declared that the issue of Term Certificates, inaugurated on Apr. 25, 1932, had proved attractive to the investors and that over one-third of the total sum on deposit was in this form of certificate. Loans made to members of societies included in the Alberta Rural Credit Corporation in 1933 totalled $63,684, and collections amounted to $127,998. The total amount of loans outstanding together with interest was $1,545,571.

In accordance with expenditure by Special Warrants of the sum of $172,845 authorized after prorogation of the Legislature in respect of the year ended Mar. 31, 1933, further Supplementary Estimates were passed during the 1934 Session for this amount.

A statement of receipts and payments in respect of the nine months' period ended Dec. 31, 1933, was also presented to the House. Ordinary expenditure for the period exceeded receipts by $1,447,490 before providing for Sinking Fund or Debt retirement charges. These amounted to $547,508, making a cash Deficit of $1,994,998.03 for the nine months as against $1,395,483.45 during the corresponding period of 1932. Supplementary Estimates for the fiscal year ended Mar. 31, 1934, tabled in the Legislature on Mar. 8, 1934, showed an amount to be voted of $2,535,594—$685,226 under Income Account and $1,850,367 under Capital Account.

The Estimates for the fiscal year ended Mar. 31, 1935, showed a Net Deficit, including Sinking Fund or Debt Retirement, of $524,108. The Revenue on Income Account was estimated at $14,896,966 and the Expenditure on Income Account, excluding Debt Retirement, $14,674,505. Sinking Fund, or Debt Retirement, amounted to $746,569. The Provincial Treasurer stated that provision had again been made for the Sinking Fund on the same basis as in previous years although the Manitoba and Saskatchewan Governments had, for two years, made no such provision. He emphasized that the Alberta Government did not feel that further taxation should be imposed upon the people of the Province until the upward trend of revenue had been more definitely established, and that legislation would be sub-

mitted to eliminate the base tax payable under The Income Tax Act together with the recommendation of certain changes in the schedule in the higher levels of income to make up the deficiency resulting from this change. Mr. Reid declared that the Government intended to explore every possibility of refunding at lower rates of interest a large part of the Public Debt.

The Supply Motion was passed on Mar. 15 on a vote of 39 to 12. The Liberal Leader had moved an Amendment on Mar. 12 which, after considerable debate, had been defeated by a vote of 19 to 38. After further debate on the main Motion another Opposition Amendment had been presented and lost on a similar vote.

Legislation and Incidents of the 1934 Session. Prorogation of the Legislature took place on Apr. 16 after a nine weeks' Session. There had been the spectacular crossing of the floor of the House to the Liberal side on the opening day by two Government Members, P. A. Miskew (U.F.A., Victoria), and Omer St. Germain (U.F.A., St. Albert). The former had previously declined the Prime Minister's invitation to move the Address-in-Reply to the Speech from the Throne. Mr. Miskew's reason for refusal of the honour and for his desertion to the Liberal side was given during the debate on the Address-in-Reply Motion. "The Prime Minister," he stated, "has failed to reorganize and supplement the personnel of his Cabinet which has been the chief underlying cause for many of the failures in the administration of the affairs of this Province." These, he alleged were: (1) the increase in the Provincial Debt; (2) the unfortunate condition of the Provincial Telephone System; (3) the position of the Co-operative Credit Societies "which might ultimately cost the people of the Province many hundreds of thousands of dollars;" (4) the building of the Edmonton Normal School in 1928 when there was already an adequate supply of teachers; (5) the failure of the Government to meet the debtor and creditor problem; (6) the failure of the Government to define their stand on the "important plank of the U.F.A. platform, which was adopted at the U.F.A. Convention at Calgary in 1933 regarding the socialization of all industries, including land, with which "neither the people of Victoria constituency nor I myself can agree. It is true this plank was partly rescinded at the last U.F.A. Convention at Edmonton, nevertheless, this was only a political or vote-catching gesture which is not in harmony with either the C.C.F. or U.F.A. socialization programme and cannot, therefore, be treated seriously by the people of this Province, because of its inconsistency with the rest of the respective platforms. I feel that this Government owes a debt to the people of Alberta to take a definite stand on the major radical policies of both of these platforms." (*The Calgary Herald,* Feb. 21, 1934). Mr. St. Germain made his explanation to the House on Feb. 22 during the same debate. He declared that one of the reasons why he had been compelled to deny his allegiance to the Government was the failure of the Prime Minister to demand the resignation of the Hon. Oran Leo McPherson, Minister of Public Works, and he stated that he had the approval of his constituents in this stand as the latter "disapproved and condemned the retention in the Cabinet of the Minister named." Another reason was the failure of the Government leader to make known his stand with regard to the Co-operative Commonwealth Federation—to state whether the Government were a C.C.F. Government or not. He alleged that at the beginning of the 1933 Session the Member for Camrose (Chester A. Ronning), in seconding the petition for an Address to the Speech from the Throne, had expressed his admiration for the Socialistic programme of the C.C.F. "I presume," he stated, "that as he was a Government spokesman on that occasion, the Government approved of his attitude. Other members of the Government side have also openly endorsed the C.C.F. policy." (*The Edmonton Bulletin,* Feb. 23). In a statement to the Press the Prime Minister declared that he was "emphatically of the opinion that these moves by the two Members are not significant of any widespread change of attitude on the part of the U.F.A. supporters, but in each case were due to local conditions or for personal reasons."

Several outstanding measures were enacted during the Session: a new Department of Trade and Industry was created with a Minister to be added to the Cabinet whose duty it would be to encourage the betterment of the conditions of all trades in, and the development of the natural resources of the Province and for this purpose he was to be given certain powers clearly defined in the Act. Sanctioning the regulation of Trade and Industry within the Province the Act brought into effect a modified code along lines similar to the NRA in the United States—systems, standard of ethics, methods, etc., approved by 66 per cent. of the persons engaged in the trade or by persons owning 66 per cent. of the aggregate capital invested in the trade, might be declared in force. The measure was divided into four parts as a protection against the possibility of the Dominion Government's questioning the section dealing with business codes; and as a protection for consumers who would be affected by the operation of the Act the Prime Minister announced just before prorogation that the Government had decided to form an Advisory Board.

By the Succession Duties Act, 1934, made necessary in view of the constitutional limitations of the Province's taxing powers, according to a decision of the Privy Council which had declared the Succession Duties Act *ultra vires* in an appeal revolving around the Isaac Kerr estate of Calgary, the Government sought to protect the amount of, approximately, $6,000,000 collected under the Succession Duties Act from the inception of the Province until the end of the year 1933. The Privy Council decision also made it clear that there was no power in the Province to tax personal property situated outside of the Province, and devolving on beneficiaries resident outside of the Province. In many estates such personal property was being taxed, and as a result of the Kerr decision at least eight estates were claiming the right to recover the duties so paid. An action could not be brought against the Crown other than by Petition of Right. A number of these Petitions for *fiat* that "right be done" had been filed with the Clerk of the Executive Council at Edmonton. Some of them had been in the hands of the Government for months but no *fiat* had been granted up to the date of the passing of the Act.

An Amendment to the Liquor Control Act, to come into force May 1, extended the closing hour for beer parlours on Saturday night, from 9 P.M., as had been the custom, until 10 P.M.; permitted bottled beer sold in parlours to be taken off the premises for consumption elsewhere; and allowed municipalities desiring to take a plebiscite as a result of these Amendments to do so prior to their coming into effect.

A Wheat Control Act implementing the Agreement entered into by the Dominion Government at the International Wheat Conference in 1933, and which was similar to Acts passed during the 1934 Sessions of the Legislatures of the other Prairie Provinces, controlled the marketing of wheat in the Province. (See Saskatchewan Act).

Two important measures, supplementing legislation of the Dominion, were specially designed to aid the agricultural industry: one, the Agricultural Debts and Credits Act, related to the extension of credits to Agriculture and the effecting of compromise of debts; and the other, the Natural Products Marketing Act, dealt with the marketing of natural products and provided for the appointment of a Provincial Marketing Board—both measures gave the Lieutenant-Governor-in-Council power to proclaim the legislation.

An Opposition Amendment to the 1934 extension of the Debt Adjustment Act of 1933 for another year, which would have had the effect of bringing virtual *moratorium* into operation in Alberta, was defeated on the last day of the Session, the Prime Minister voicing strong objection to the adoption of such legislation which he claimed dealt with a few extreme cases and disregarded the welfare of 90,000 farmers in Alberta.

Several Reports of House Committees were presented during the Session; two were of Inquiries which had been carried on outside the Legislature after the close of the 1933 Session. One of the latter favoured the establishment of a State fund centrally controlled and administered by a

State Board, to provide health services for all the people of Alberta; and the other, a Report of an Inquiry into relief expenditures in the cities of Edmonton, Calgary, Drumheller, Medicine Hat and Lethbridge, recommended the adoption of a definite policy applicable to all cities regarding discounts on allowances from municipally-owned utilities and rental allowances for municipally-owned properties in the administration of relief. One 1934 Committee Inquiry, which was into the whole field of education, under the Chairmanship of the Hon. Perren Baker, Minister of Education, in connection with the Government's ten-year revision policy, continued its investigation outside the Legislature; another, into the Provincial Telephone System's finances, was also continued after the prorogation of the 1934 Session; and a third was in connection with the allegations of the Liberal Leader, W. R. Howson, that there had been undue interference with justice in the case of Henry Wise Wood, Jr., son of the former President of the U.F.A., and O. B. Lassiter, well-to-do farmer of the Chin district—this last-mentioned Inquiry was to be continued by a Royal Commission in accordance with the recommendation of the Committee which had received the approval of the House.

Two Resolutions endorsed by the Legislature were the subject of short debates. One, introduced by Mr. Howson (Provincial Liberal Leader), advocated that the suggestion should be conveyed to the Dominion Government that "the Central Federal Bank or Bank of Canada, now being set up by the Federal Government, should be a publicly-owned and operated institution." The second Resolution which was carried by a vote of 29 to 20, with the Prime Minister dissenting, expressed the opinion that the Canadian Government should, as soon as possible, confer with Provincial Governments with a view to amending the Constitution in order "to provide for the representation of the Crown in the Province in a simpler and less expensive way," and that the Dominion Government should be asked to make no further appointments to the office of Lieutenant-Governor in the Province after "the completion of the term of the present Lieutenant-Governor," and, further, that the Provincial Government should be requested to consider the advisability of using Government House, "after the expiration of the present term of office, for the purpose of a Tubercular Sanatorium in the Northern part of the Province."

In connection with an incident which had aroused not only Provincial but international interest, an informal meeting of Members of the Legislature took place on Apr. 2, 1934, while the House was sitting, for the purpose of considering the signing of a petition from the Jasper Chamber of Commerce to be forwarded to the President of the United States on behalf of James L. Fahay, who as Frank Grigware, had escaped from Leavenworth Penitentiary in 1910 shortly after commencing a life sentence on a charge of robbing a United States railway mail car on the outskirts of Omaha. Fahay had for 17 years been living in Jasper as a respected citizen, when discovery of his identity was made. In March (1934) he had been convicted on a charge of poaching in Jasper National Park; his fingerprints were taken and sent to Ottawa, where it was found they were those of Grigware. On May 12, the United States dropped extradition proceedings and after some preliminaries Fahay was declared free to resume his life in Canada.

Agriculture: Production and Organizations

A considerable decline in field crop production in Alberta in 1933 was recorded in the Annual Report of the Department of Agriculture for that year. Due chiefly to crop damage caused by drought, grasshoppers and frost, the total yield of wheat in 1933 was only 94,500,000 bushels as compared with 170,500,000 bushels in 1932. Feed shortage over a large area of southern Alberta had a severe effect on the live-stock industry, particularly that of beef cattle. Cattle exports showed an increase in 1933, numbering 11,618 as compared with 4,225 in the previous year. Hog prices showed a substantial increase and wool prices almost trebled during the year. The following table gives the area, yield and value

of the field crops in Alberta for 1933 and 1934. Those for 1933 are a preliminary estimate taken from the above Report, while those for 1934 are supplied from a third estimate of field crops in Canada by Provinces, issued by the Dominion Bureau of Statistics:

Crop	1933 Acreage	1933 Total Yield	1933 Total Value	1934 Acreage	1934 Total Yield	1934 Total Value
		Bush.	$		Bush.	$
Wheat	7,898,000	94,500,000	38,745,000	7,501,000	112,500,000	61,875,000
Oats	2,870,000	72,500,000	10,875,000	3,032,000	81,000,000	21,060,000
Barley	631,000	12,783,000	2,173,000	749,000	15,041,000	5,716,000
Rye	169,000	902,000	239,000	235,100	1,927,000	839,000
Peas	600	7,800	8,000	800	11,000	13,000
Beans	800	10,000	13,000	900	11,000	17,000
Mixed Grains	20,800	464,000	84,000	21,000	462,000	139,000
Flaxseed	10,700	43,000	45,000	18,100	105,000	118,000
		Cwt.			Cwt.	
Potatoes	32,000	1,856,000	1,392,000	32,800	1,837,000	1,341,000
Turnips, etc.	1,900	154,000	100,000	1,700	156,000	100,000
		Tons			Tons	
Sugar Beets	14,040	137,458	824,748	14,500	157,000	876,000
Grain Hay	1,900,000	3,080,000	15,400,000	957,500	1,695,000	11,865,000
Hay and Clover	282,400	361,000	2,166,000	282,000	372,000	2,626,000
Alfalfa	73,100	142,000	1,136,000	74,600	172,000	1,720,000
Fodder Corn	5,000	13,000	61,000	8,000	32,000	194,000

There was a decided upward trend in dairy industry prices in 1933 from the low levels of the previous year. The total output of dairy products, valued at $12,950,000, showed an increase of 9 per cent. over 1932. Butter production reached a record total of 36,000,000 pounds. Creamery butter manufactured in the 96 creameries in operation in 1933 totalled 23,852,350 pounds, an increase of 13½ per cent., while the 11 cheese factories reported 1,437,387 pounds of cheese produced, a slight decrease from the 1932 output.

United Farmers of Alberta. A motion for the adoption, as far as "are practicable and applicable to Provincial affairs," of the policies of the C.C.F. in a Provincial political platform to be prepared by the Board of Directors for submission to the 1935 Annual Convention, was outstanding among the resolutions passed at the Annual Convention of the United Farmers of Alberta in Edmonton, Jan. 16-19, 1934. Reaffirmations of and additions to previous statements of principles and aims receiving the assent of the 1934 Convention included the following: issuance of Dominion notes to fund agricultural mortgages, as they fell due, at a very low rate of interest; investigation by the C.C.F. executive into the Douglas Social Credit proposals and their careful consideration by the Provincial Government, with a view to their introduction if found feasible; legislation to provide against foreclosure of a farmer while living on his farm, unless his ability to make payment be proven; equitable distribution to individual farmers of wheat quotas and "a guaranteed price or proper bonus" as recompense for the limitation of exports; establishment of a system of short-term and intermediate credits; reduction of interest rate on all farm land mortgages to 4½ per cent.; introduction of a steeply graduated income tax, making $30,000 the maximum individual income; nationalization of the banking system; controlled inflation of currency; and the granting of old age pensions at 55 years for war veterans and at 65 years for others.

The financial statement for the year ended Nov. 30, 1933, showed a deficit of $4,481, as compared with a surplus for the previous year of $1,200. Revenue for 1933 totalled $20,727, of which $10,309 represented dues paid and $7,300 grants and allocations. Expenditures amounted to $25,208, including $8,417 for organization; $9,190 for central office; and $5,375 for the "U.F.A." newspaper.

Robert Gardiner and Norman F. Priestly were re-elected for the fourth consecutive term as President and Vice-President respectively. The Executive Committee also included: J. K. Sutherland, Hanna; George E. Church, Balzac; and J. E. Brown, Castor. Mrs. R. Price, Stettler, was again President of the U.F.W.A.

The Alberta Wheat Pool. A review of the work of the Alberta Wheat Pool during the 1933-34 crop season, as given in the Report of the Manager, (R. D. Purdy) to the 12th Annual Meeting in Calgary, Nov. 27—Dec. 3, 1934, stated that light crop conditions had necessitated the closing of 10 of their 439 elevators for the whole season and 18 for a part of the season. Total receipts of all grains through elevators and over the platform amounted to 27,090,444 bushels during 1933-34, as compared with 48,390,660 bushels the previous season. The handling of street and graded storage grain, however, resulted in a grade loss of only $39,831, as compared with $102,321 in 1932-33, due to more consistent grading conditions, as well as to the reduction in volume. Net operating earnings of the elevator system for 1933-34 amounted to $877,517. Deduction of $274,991, the sum of one year's interest paid to the Province in connection with the 1929 Pool overpayment, and $524,497 for depreciation, left a net earning for the season of $78,030, which was carried forward to the balance sheet as a reserve. This reflected a reduction of approximately $120,000, as compared with the results of the 1932-33 season.

Resolutions were endorsed by the delegates advocating that the money necessary to finance the marketing of wheat be supplied by the central bank of Canada at cost; that a proposal for insurance against crop failure be investigated by the Board; and that definite information be made available, if possible, before Spring, as to the probable spreads in prices between Garnet and Marquis wheats. Other problems discussed included the formulation of a uniform policy to aid agriculture in the drought areas of the Prairies, reduction of the interest rate on the Pool bonds guaranteed by the Provincial Government, the advantages and disadvantages of a bonus for high protein wheat, and the settlement and equalization of the 1930 Pool.

H. W. Wood, Carstairs, was re-elected Chairman of the Board of Directors for the ensuing year, and C. Jensen, Magrath, was made Vice-Chairman.

Annual Reports of Departments: Lands and Mines

The third Annual Report of the Department of Lands and Mines, covering the fiscal year ended Mar. 31, 1933, showed an increase of $104,024 in interest collections on school lands over the previous year. Homestead entries and soldier grants totalled 3,499, covering an area of approximately 559,840 acres, as compared with 4,428 entries and soldier grants with an acreage of 708,480 in 1931-32. Of the 1932-33 total, 3,112 were first homesteads comprising 9,147 persons, of whom 34 per cent. were of Canadian nationality; 10 per cent. British, 18 per cent. from the United States and 38 per cent. from other countries, chiefly European. The decrease of 3,022 persons from the previous year's total of 12,169 was declared to have resulted from the restriction from settlement, since September, 1931, in the area in the Calgary and Lethbridge districts south of Township 42. The trend of settlement during 1932-33 was in the northern portion of the Edmonton Land Agency district and generally throughout the Peace River area.

Oil production showed a marked decline in 1932-33, totalling only 871,082 barrels as compared with 1,246,328 the previous year. The naphtha decrease was declared chiefly attributable to the increasing dryness of gas obtained from the older operated wells, a condition which emphasized the necessity of waste reduction. The decline in light and heavy crude oil was mainly due to decreased drilling operations. (Production for 1933-34, as given in a later summary on petroleum and natural gas issued by the Department in July, 1934, was 1,141,473 barrels, a substantial increase over the two previous years, and imports by the Province totalled 1,370,665 barrels, as compared with 997,560 in 1932-33). The consumption of natural gas in 1932-33 totalled 16,061,383,000 cu. ft. as compared with 18,327,139,000 in 1931-32. Important oil discoveries near Athabasca were made during the year under review, but development of the area was postponed for a time. The only work in gas development recorded in the Report was the completion of two wells at Kinsella.

The Forest Service Branch of the Department reported that the calendar year 1932 had been the freest year from fires since the initiation of forest protection. Fires dealt with numbered only 379, burning 136,118 acres at a total estimated loss of $160,876, as compared with 622 fires, involving 604,876 acres and a loss of $867,487 in 1931 (nine months only). Lumber manufactured from timber cut by holders of licensed and permit berths during the fiscal year 1932-33 totalled 45,375,413 f.b.m., an increase of 8,813,343 ft. over the preceding year, due principally to the exhaustion of carry-over supplies from previous years which necessitated re-stocking the lumber yards. In addition, 277,631 ft. of timber was procured from school lands berths, and timber cut from timber sales on forest reserves scaled 2,372,779 f.b.m. On this latter total the increase from 1931-32 was 1,564,779 ft., operations in that year having been greatly reduced, while in 1932-33 new sales were opened up and some of the old ones resumed operation.

Unsatisfactory prices and a difficult year generally was reported for commercial fishing in 1932-33. Heavy competition in lake trout production from the Great Lakes almost eliminated the eastern market, resulting in a minimum of Lake Athabasca fishing. The production of whitefish from Lesser Slave Lake was also greatly reduced. The total catch of commercial fish was 2,655,214 lb., a decrease from the previous year of 682,766 lb., while the value to fishermen of $94,440 and the value as marketed of $130,808 showed decreases of $21,488 and $59,119 respectively. A slight improvement in local demands, however, helped to offset losses in the export trade. The total catch of all kinds of fish during the year under review was 5,655,886 lb., as compared with 6,835,952 lb. in 1931-32.

Coal produced during the calendar year 1932 totalling 4,870,030 tons valued at $13,441,193, showed an increase of 305,740 tons over the output for 1931. The amount sold for consumption was 1,134,311 tons, while 1,751,294 tons were shipped to other Provinces: 27,366 tons to the United States, and 1,619,921 tons sold to railway companies. Electrical power purchased for the use of Alberta coal mines during the year totalled 14,875,890 k.w.h., as compared with 16,918,625 k.w.h. purchased in 1931-32.

Cash receipts of the Department from all Branches for the fiscal year 1932-33 amounted to $968,929, divided as follows: land patents, $69,729; timber and grazing, $154,539; mining lands, $390,647; school lands, $262,892; forestry, $32,762; fisheries, $14,740; petroleum and natural gas, $431; administration of the Mines Act, $6,968; administration revenue, $213; tax recovery, $12,215; and unapplied receipts and moneys subject to refund, carried forward from the previous year, less suspense applied and refunded, $23,793.

Education. In its Annual Report for 1933 the Department of Education recorded a higher enrolment of pupils and a greater number of school rooms in operation in the school year ended June 30, 1933, than in any previous year. The enrolment was 171,445, an increase of 650 over 1931-32. School rooms in operation numbered 5,796 and teachers employed, 6,050, as compared with 5,729 rooms and 5,760 teachers the previous year. The average monthly percentage of attendance declined from a high of 90.02 to 88.69. Only 20 new school districts were organized in 1933, the smallest number erected in any one year in the history of the Province. A total of 72 districts were disorganized, 67 of which, due to economic conditions, were combined to form one district. It was stated that the average salary of all teachers for 1933-34 would probably show a sharp decline as the regulations governing the minimum salary of $840 had been relaxed, under authority granted to the Minister of Education during the 1933 Session of the Legislature. Also as a result of the decision of the Legislature, the Edmonton Normal School was closed in 1933.

An enrolment of 1,775 students for the 1933-34 session was reported by the University of Alberta. Degrees and diplomas conferred at the Annual Convocation on May 15, 1934, numbered 363, including 90 degrees of Bachelor of Arts. The honorary degree of Doctor of Laws (LL.D.) was bestowed upon John Wesley Dafoe, Editor-in-Chief of *The Winnipeg Free Press*. During the year the University received a gift of $50,000 from the

Carnegie Corporation. The Department of Extension of the University, which the Dominion Bureau of Statistics, in a bulletin issued in 1934, declared "offers a greater variety of services than any other such department in Canada," recorded a 27 per cent. increase in its lecture service during the year ended Mar. 31, 1934. Remarkable development was reported in those services aided by the Carnegie Grant ($10,000 a year for three years), particularly in the dramatic work over the radio and in the country districts. A total of 173 extension lectures and moving picture programmes was given in 1933-34 with an aggregate attendance of 21,550. Travelling libraries sent out numbered 106 as compared with 79 in 1932-33. Judgment on the action brought against the University by C. H. A. Powlett and his son, Armand, arising from injuries sustained by the latter during initiation ceremonies at the University in 1932, was rendered on Oct. 28, 1933, by the Supreme Court, which awarded $56,860 damages and costs to the plaintiffs. An appeal from this judgment by the University resulted, on May 17, 1934, in the Court reducing the award to $21,860. On June 6, applications by the Powletts for leave to carry an appeal to the Privy Council and by the University for permission to file a cross-appeal were granted. Another legal decision involving the University was given by the Supreme Court on Dec. 5, 1933, directing that the University should return the $35,000 estate of Henry Sirrell, Del Bonita, Alberta (deceased, 1929), which in 1932 had passed to it under the Ultimate Heirs Act in the absence of any will or anyone with a valid claim. The judgment resulted from the discovery of seven claimants, brothers and sisters of the deceased, living in England.

The Research Council of Alberta, financed by the University of Alberta, reported activities in 1933 in five fields. (1) Coal—A detailed survey of coals across north-central Alberta was commenced and studies made of coal oxidation, weathering, moisture, ignition temperature, and classification, with the assistance of the Provincial Mines Branch and the National Research Council. (2) Geological Survey—Seven areas were examined, mainly to obtain information required for the completion of a geological map of Central Alberta, townships 42-85 inclusive; the areas included parts of the valley of North Saskatchewan River, Pembina River, Little Smoky River district, Hardisty and Lougheed districts, Bonnyville and Cold Lake districts, foothills belt from Cochrane to Rocky Mountain House, and Porcupine Hills to Waterton Lakes. (3) Natural Gas—Laboratory studies were made of hydrogenation of bitumen and coal; also pyrolisis, pressure solubilities and controlled oxidation of natural gas. (4) Road Materials—Problems fundamental to the hot water separation of bitumen from bituminous sands were investigated; and the study of soils from highway sub-grades undertaken. (5) Soil Surveys—One district was surveyed in townships 74 and 75, ranges 20-24, west of the 5th Meridian, and a soils map was prepared, but not published, covering surveys from 1928-31.

Public Works and Highways; Other Departmental Reports. The Annual Report of the Department of Public Works, for the year ended Mar. 31, 1934, showed that contracts for main highways had been let and completed by 154.85 miles of second-course gravel surfacing and 122.11 miles of gravel replacement, making a total of 1,972 miles of gravel-surfaced roads and 70 miles of bitumized gravel in the main highways system. Miles of main highways maintained during the year 1933-34 numbered 3,416.98 at a cost of $633,478, as compared with 3,407 miles in 1932-33 at a cost of $796,567. The expenditure on construction and maintenance of district highways and local roads, from both capital and income accounts, totalled $42,236 as against $76,710 in the previous year, and the amount expended on the operation, maintenance and reconstruction of 57 ferries during the season was $70,725 as compared with $71,503 on the same number of ferries in the preceding year. The Report for 1933-34 stated that 24 new bridges, including four of steel, were constructed and 73 reconstructed, also including four of steel, during the year.

The reports of the Wardens of the Provincial gaols revealed a considerable increase in gaol population. The average daily population of the two institutes increased from 451.6 in 1932-33 to 493.95 in 1933-34, and there was an increase of 846 in the number of prisoners admitted. This was largely accounted for

by a more rigid enforcement of the Dominion Government Railway Act and not to any general increase in crimes of a serious nature.

The favourable health conditions of the previous two years were well maintained during the year 1932, according to the Annual Report of the Department of Public Health. The Vital Statistics Report recorded the registration of 16,990 births, or a rate of 22.96 per 1,000 as compared with 23.57 in 1931; 5,521 deaths, or a rate of 7.46 per 1,000 as against 7.24 in the previous year; and 5,054 marriages. The combined death rate per 100,000 population for diphtheria, scarlet fever, measles and whooping cough was 8.3, as compared with the rate of 9.8 in 1931 and 20.5, the average rate for the previous five years. Tuberculosis, the most serious public health problem of the Province, was responsible for 401 deaths in 1932, as against 385 deaths in the preceding year. Of this number, 313 were deaths from pulmonary tuberculosis. Only 210 beds were available for accommodation in the Sanatorium. There were 539 deaths from cancer during the year, an increase of 98 deaths over 1931. The Report stated that one-third of the deaths from this disease could be prevented by its recognition in the earliest stages and by prompt and effective treatment. The infantile mortality rate decreased from 69.4 in 1931 to 58.62 in 1932, and the rate for maternal mortality decreased to 3.76, the lowest maternal death rate recorded in the history of the Province. The 89 approved hospitals in the Province had a total bed capacity of 4,481, and treated 66,592 patients; the average cost per patient per day (excluding capital charges) was $3.14 as compared with $3.35 in 1931. An analysis of the statement of expenditure and revenue for the year ended Mar. 31, 1933, showed that out of a total expenditure of $1,365,692, approximately only $180,000, or 13 cents of every dollar, was expended on preventive public health activities, the need for which was growing steadily greater.

A slackening of the decline in business was noted in the Report of the Commissioner of Labour for the year ended Mar. 31, 1934. Returns were received from 2,344 firms covering 41,590 employees, a smaller decrease than that shown in previous years. Payments for wages and salaries amounted to $51,127,160, of which sum $43,929,398 was paid to wage earners. A total of 4,245 inspections was made of 4,062 factories, shops, hotels, offices, etc. under The Factories Act, and 2,746 inspections of 2,563 businesses under The Minimum Wage Act. Under the latter 347 orders for adjustment of wages, and 23 each for adjustment of hours and of staff were also made. The Government Employment Offices reported that 31,352 vacancies were filled during the year; of these, 26,692 were for males and 4,439 for females. A total of 7,980 single men were shipped to various relief camps through the efforts of this department. The gross expenditure on direct relief in the Province amounted to $2,567,847, one-third of which was paid by the Dominion.

Accidents reported to the Workmen's Compensation Board in 1933 numbered 8,160, 21 of which were fatal and 57 resulting in some degree of permanent disability, according to the Annual Report of the Board for the year 1933. This was a substantial decrease from the total of 8,974 accidents recorded for 1932. The Accident Fund showed a deficit of $86,172, with receipts totalling $661,802 and payments, including $291,406 for compensation and $358,598 for pension awards, amounting to $747,974. As a result of the prevailing low wages it was found necessary to increase the assessment rates in a few industries such as lumbering, mining, building, road construction, etc., in order to provide sufficient revenue to take care of the fixed benefits provided by the Act. The amount collected from workmen for medical aid purposes in 1933 was $179,609, and the amount expended, $158,775. Persons benefiting from the Pension Reserve Fund in 1933 numbered 1,232, of whom 502 were permanently disabled workmen, 292 widows of fatally injured workmen, and 438 dependent children.

The Old Age Pensions Department (administered by the Workmen's Compensation Board) reported 1,568 applications for pensions received in 1933, an increase of 165 over the previous year. Of these, 1,432 were granted. 482 pensioners died during the year. The sum of $1,208,463 was paid to pensioners residing in the Province in 1933, while $27,082 was paid to those residing in

other Provinces. The contribution from the Dominion Government (75 per cent.) totalled $906,347 and from other Provinces for those Alberta pensioners at one time in residence there, $22,108. At Dec. 31, 1933, 5,987 pensioners were on the Alberta payroll, and contributions were being given toward the pensions of 1,181 persons resident in other Provinces.

Children under the care of the Department of Child Welfare at Dec. 31, 1933, numbered 1,053, according to the Report of the Superintendent for 1933. During that year 133 children were legally adopted, 208 became of age, 441 were placed in foster homes and 234 were committed to the care of the Department. A total of $439,139 was paid to 1,724 widows under the Mothers' Allowances Act, and 497 cases were handled under the Children of Unmarried Parents' Act. There were 391 boys and 29 girls appearing before the various Juvenile Courts in 1933. The girls were disposed of in social service homes and in the care of Probation officers, and the boys consigned to foster homes where special attention was paid to the care and training of delinquent boys.

The Alberta Liquor Control Board in its Annual Report for the year ended Mar. 31, 1934, noted an increase of over 80 per cent. in the cost of French wines and brandies due to the rise in value of the French exchange and the cancellation of the Franco-Canadian Treaty. It was stated that the demand for wines and brandies from South Africa and Australia, which had been stocked by the Board, was becoming continually greater. Sales of beer, ale and stout during the period under review amounted to 2,535,000 gal.; wines, 101,500 gal.; spirits, 87,500 gal.; and alcohol, 1,400 gal. The total amount realized on gross sales for the year was $2,697,855 and the net operating profit, $1,171,543. In addition, the sum of $88,429 was received from the sale of permits, which was paid direct to the Provincial Treasurer. Approximately $1,300,000 was received by the Federal Government from the Customs and Excise duties on liquor and from the taxes on beer.

The Annual Report of the Superintendent of Insurance for 1933 stated that at Dec. 31, 1933, there were 25 Provincial and foreign companies and underwriters licensed in the Province in addition to the 272 companies (Dominion Registrants) licensed under The Alberta Insurance Act. During the year the Department assisted in the adjustment of a considerable number of claims, mostly by the insured; investigations of such cases numbered 61, and resulted in settlements made to the assured totalling $3,260. Other similar inquiries were conducted but not recorded. Eleven complaints of a more serious nature were investigated under The Alberta Insurance Act resulted in the collection of $1,744 in delinquent agents' fees. Five investigations were also conducted under the Real Estate Agents' Licensing Act. Certificates of Authority issued from Feb. 15, 1933, to Feb. 15, 1934, numbered 3,077, or 456 less than in the previous year. Net premiums written in the Province during 1933 totalled $4,834,395 and net losses paid, $1,961,933, decreases from 1932 of $681,265 and $987,607 respectively. Life insurance premiums amounting in 1933 to $11,416,296, total insurance written of $36,219,179, and insurance at risk of $339,416, all showed a decrease from the previous year, disbursements to policyholders of $10,015,702 alone showing an increase.

For the second year in succession the Fire Commissioner reported a reduction in 1933 in property destruction by fire, which was $1,059,879 less than the 1932 total. Fires in 1933 numbered 1,823, with a total loss of $1,435,613.

A 35 per cent. increase in the total volume of insurance written in 1934 by the Hail Insurance Board of Alberta was recorded in their Annual Report for the year ended Jan. 31, 1935. The loss, however, was stated to have been again above the average, amounting in the ordinary districts to 11.2 per cent. of the risk. Claims numbered 516, a large increase over the 1934 figure of 165 claims.

Registration of motor vehicles for the year 1933 was reported by the Deputy Provincial Secretary as follows: passenger cars, 71,076; trucks, 14,174; and motor cycles, 467.

Collections by the Department of Municipal Affairs for the calendar year 1933, as given in the Annual Report for that year, showed a drop from all

sources—cities, towns, villages and municipal districts. From cities the sum of $8,459,461 was collected, a decrease from 1932 of $648,927; from towns, $771,435, a decrease of $30,730; from villages, $264,116, a decrease of $21,533; and from municipal districts, $2,687,912, a decrease of $76,387. Tax arrears for towns at the end of 1933 totalled $1,469,475, an increase over the previous year of $186,762; for villages, $513,264, an increase of $46,475; and for municipal districts, $5,877,714, an increase of $101,646.

The Union of Alberta Municipalities at their Annual Convention, June 28-9, 1934, passed a resolution suggesting that the Commission to review taxation in the Province should consider the advisability of raising revenue from a tax on insurance funds, increased income taxation, and a tax on money and credits. J. A. Code, Camrose, was elected President for the ensuing year.

The Province of Alberta

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. William L. Walsh, K.C., LL.D.

The Reid Ministry (U.F.A.)

Prime Minister, President of the Council and Provincial Secretary	The Hon. R. G. Reid
Provincial Treasurer	The Hon. J. R. Love
Attorney-General	The Hon. J. F. Lymburn
Minister of Agriculture	The Hon. F. S. Grisdale
Minister of Education	The Hon. P. E. Baker
Minister of Public Works	The Hon. J. J. MacLellan
Minister of Health, Minister of Railways and Telephones and Minister of Trade and Industry	The Hon. George Hoadley
Minister of Municipal Affairs and Minister of Lands and Mines	The Hon. H. W. Allen
Minister without Portfolio	The Hon. Irene Parlby

Speaker of the Legislative Assembly ..... The Hon. George N. Johnston

Heads of the Administrative Services

Deputy Provincial Treasurer	J. F. Percival
Deputy Attorney-General	George B. Henwood
Deputy Minister of Agriculture	H. A. Craig
Deputy Minister of Education	G. W. Gorman
Deputy Minister of Public Works	H. P. Keith
Deputy Minister of Health	Malcolm R. Bow, M.D.
Deputy Minister of Telephones	J. D. Baker
Deputy Minister of Municipal Affairs	E. L. Gray
Deputy Minister of Lands and Mines	John Harvey
Deputy Provincial Secretary	E. Trowbridge
Deputy Minister of Trade and Industry	William Anderson
Provincial Auditor	J. C. Thompson
Clerk of the Legislative Assembly	R. A. Andison
Clerk of the Executive Council and Law Clerk	J. D. Hunt
Legislative Counsel	R. A. Smith
Civil Service Commissioner	F. Smailes
Publicity Commissioner and Provincial Librarian	Colin G. Groff
King's Printer	W. D. McLean
Director of Fisheries	R. T. Rodd
Director of Forestry	T. F. Blefgen
Director of Petroleum and Natural Gas	W. Calder
Director of Water Resources	L. C. Charlesworth
Superintendent of Child Welfare	K. C. McLeod
Superintendent of Insurance and Fire Commissioner	W. Brace
Administrator of Estates of the Mentally Incompetent and Official Guardian	Trenholme Dickson
Chairman, Liquor Control Board	R. J. Dinning
Chairman, Board of Public Utility Commissioners	A. A. Carpenter
Chairman, Old Age Pensions Board and Workmen's Compensation Board	Alex. Ross
Chairman, Assessment Commission	W. D. Spence
Commissioner of Labour	W. Smitten

THE PROVINCE OF MANITOBA

Economic and Political Affairs in 1933-34

No recession in Manitoba's major and combined problems of unemployment relief and public and private indebtedness was visible during the period, 1933-34. In drawing attention to the seriousness of the situation, the Prime Minister of the Province, the Hon. John Bracken, during the course of the Budget Address of 1934, stated that the increase in the Provincial debt, even for unemployment relief, could be justified only in the expectation that times would improve, and "that then the increased obligation can be more easily borne. If times are not to improve, we must," he asserted, "if we are not devoid of courage and a sense of responsibility, steel ourselves to make the sum of our current expenditures and our expenditures for relief come within the amount of current revenues of the Province." In January, 1934, 88,095 people were receiving relief as compared to 76,520 in January, 1933. The peak of unemployment had been reached in March, 1934, when the number on relief totalled 105,000. After that month the trend was downward with the lowest figure of 56,500 reached in October. Up to December, 1933, from August, 1930, $22,415,785 had been spent on behalf of relief in the Province. This sum included amounts expended for unemployment works, direct relief and relief in the drought area. Winnipeg and adjoining suburban municipalities had received $17,681,896, and other parts of the Province, $4,733,889. In the month of January, 1934, $602,396 had been spent for relief in the Province as compared with $548,474 in January, 1933. In November, 1934, the total sum for unemployment relief since 1930 had reached the grand total of $28,500,000, the Provincial Government paying one-third of this cost. Taking November as an example, relief for a single month in Manitoba was distributed as follows: Winnipeg, $323,000; suburbs, $62,000; St. Boniface, Brandon and Portage La Prairie, $40,000; food, fuel and freight for the drought area, $117,000; unoranized territory, $7,000; all other rural municipalities, towns and villages, $16,000. In greater Winnipeg 22 per cent. or one out of every five persons of the population was on relief in November, 1934. Although there was a slight increase in employment during the latter part of 1934, owing to the Dominion Government's having found it necessary to reduce the amount of the contribution they had been making toward the cost of relief, the expenditure of both the Province and the municipalities increased, notwithstanding the fact that there were fewer numbers to whom assistance was given.

In spite of the unusual conditions with which they had to cope, an increased number of rural municipalities were balancing their budgets at the end of 1934 on the cash basis. Unfortunately other municipalities were defaulting on their debt payments; as many as

thirty had defaulted on loans advanced by the Province leaving the Government with the burden of paying the interest. The Provincial Government, in line with a resolution passed by the Legislature during the 1933 Session, continued to urge that the Dominion Government should take the initiative in bringing about a Dominion-Provincial council or other agency, for the purpose of determining the procedure by which a reduction in interest rates on individual as well as on municipal and Provincial indebtedness might be effected.

In the whole Provincial economic situation the mining industry in the year 1934 held out the most encouraging signs. Increased activity in all the mining areas was reported; this applied particularly to the effort to obtain and develop gold properties. Mineral production for the year was valued at approximately $10,000,000; this compared to a value of $1,000,000 in the year 1909. An interesting incident in connection with the industry was the payment by the San Antonio mine in 1934 of a dividend to their shareholders which was the first dividend ever paid by a Manitoba gold mine.

Low prices for farm products with adverse weather conditions in many parts of the Province and the continued restrictions against international trade were all contributing factors retarding the return of more normal and prosperous conditions amongst the rural centres. While the harvest in certain districts had been bountiful, a continuation of the drought condition in the south-western section of the Province, with an increase in the area affected, necessitated Dominion, Provincial and municipal assistance in order to cope with the resulting situation. The Provincial Prime Minister (Mr. Bracken) had been steadfast in his advocacy of putting into force a four-point programme designed to bring about the rehabilitation of the drought areas, not only in Manitoba but in the whole of Western Canada; his scheme embraced a reclamation of the drought sections; rehabilitation of the farms; a plan of conservation; and sound development of all land resources. Agricultural production in the Province for the year 1934 was estimated at $44,509,000, as compared to $39,001,000 in 1933. The great scarcity of feed in the southern and western parts had meant a decided further reduction in the number of horses on the farms; this was in keeping with the general situation for the whole of Canada. The marketings of cattle showed, in 1934, a total of 186,562, as compared to 95,173 in 1930. The 1934 wheat crop of 37,100,050 bushels, valued at $24,115,000, compared to 32,500,000 bushels, valued at $15,600,000 in the preceding year.

Of Provincial political affairs during 1933-34, outside of the Legislature, there is little to relate. The 1934 Session, opening on Feb. 8, ran for two months when it adjourned, to meet in June for a few days, proroging on the 7th. A By-Election occurred on Nov. 27, 1933, in the constituency of Portage La Prairie, owing to the resignation of Lieut.-Col. F. G. Taylor, former Conservative Leader, who had been appointed to the Manitoba Court of King's Bench. Three candidates were in the field: Edwin Albert Gilroy, Independent;

Horace Ashley Ireland, Labour; and William Raymond Sexsmith, Conservative. Mr. Sexsmith was elected in the final count, his votes totalling 1,261 and E. A. Gilroy's, 1,024. Votes cast in the first preference were as follows: Sexsmith, 1,166; Gilroy, 851; and Ireland, 597. When the 1934 Session opened the standing of the parties were: Government, 38; Conservative, 10; Labour, 5; and Independent, 2. The United Farmers of Manitoba, meeting in Convention in November re-affirmed by resolution their decision of 1928 not to re-enter politics as a body. The question before the delegates was with regard to political affiliation with the Co-operative Commonwealth Federation under the leadership of J. S. Woodsworth. Roy McPhail, President of the organization, stated that there was evidence to show that their members were far from being unanimous in their adherence to any one political group. Referring to the London Wheat Agreement Mr. McPhail stated: "Assuming that a policy of reduction in wheat acreage is wise and necessary, just how is it to be successfully carried out? Is it feasible to attempt to compensate farmers with a bogus system such as is being used in the United States? Would any Government at Ottawa be rash enough to conceive of such a policy. . . . We doubt it." The first Provincial Convention of the C.C.F. met at Portage La Prairie on Nov. 3, 1933, when the Dominion President of the body addressed the gathering. It was decided at the meeting, which elected J. B. Brown of Cartwright as Provincial President, that the basis of the Manitoba organization should be local units of not less than five members with district units comprised of the local units within each of the several Federal constituencies in the Province. Membership fee was fixed at $1 and would be open to all who subscribed to the C.C.F. platform.

Province-wide approval was voiced in the appointment on Nov. 17, 1934, of William Johnston Tupper, K.C., as Lieutenant-Governor, to succeed the Hon. James D. McGregor whose five-year term had just expired. Mr. Tupper, who was the third son of Sir Charles Tupper, a former Prime Minister of Canada, had been at one time a Member of the Provincial Legislature. He was sworn into office on Dec. 1, 1934.

The 1934 Session of the Legislature

At the opening of the Second Session of the Nineteenth Legislature of Manitoba, on Feb. 8, 1934, by the Lieutenant-Governor, the Hon. J. D. McGregor, the Speech from the Throne reviewed Provincial conditions during the previous year. It also briefly mentioned: the part taken by Manitoba in the Dominion-Provincial Conference at Ottawa; the public hearings in the city of Winnipeg of the Royal Commission on Banking and Currency in Canada; and the efforts of the Manitoba Government to secure more effective provision throughout Canada for the better provision of fraudulent promotion methods and practices and for the greater protection of investors. It concluded with the forecast of legislation to be presented, which included: provision for the sale and distribution of milk; a Revision of the Community Courts Act and of the Surrogate Courts Act; the Complete Co-ordination of the Real Property Act; a new Assessment Act; and provision for greater uniformity of laws relating to Succession duties, made necessary by "a recent decision of the Judicial Committee of the Privy Council in London."

During the debate on the Address-in-Reply to the Speech from the Throne the principal question discussed was the London Wheat Agreement and the part played by the three Provincial Prime Ministers prior to Mr. Bennett's attendance at the Conference. The Leader of the Conservative group (W. Sanford Evans) denounced the absence of mention in the Speech of the Government's attitude toward the London Wheat Agreement. He stated that the part played by the Prime Ministers of the three Prairie Provinces was one that called for an expression of opinion from the elected representatives of the people. He alleged that the Provincial Government leaders had, instead of referring the problem to the respective Legislatures in 1933, soon after the Sessions closed, made their definite proposals to the Dominion Prime Minister, pledging to enact any measures necessary to carry out the wheat reduction scheme in which the Legislatures and Provinces were vitally concerned. He claimed that the Dominion Prime Minister, recognizing the Prairie Provinces' responsibility in the matter, had asked them to send a representative to the London Conference, which they had done in the person of the Hon. M. A. MacPherson, Saskatchewan, who had signed the Agreement with Mr. Bennett. The London Wheat Agreement, he stated, was far from a matter of Dominion jurisdiction; the preamble of the document declared that the steps to be taken were measures to adjust the supply of wheat to the world and to eliminate the surplus. This, Mr. Evans asserted, meant restriction of acreage and not control of exports, leaving all adjustments to be made by the four principal exporting countries. He declared that besides the main contract a Supplementary Agreement existed but that it had never been made public, nor was it available. The main Wheat Agreement said nothing of quotas, he claimed, or any other means of reducing the supply. It was, evidently, the Supplementary Agreement which proposed that Australia and Argentina should not increase their stocks of wheat while Canada and the United States should cut their surplus 15 per cent. No scheme of any kind, he said, that involved more than a check on wheat exports should be put in operation without consulting the Provincial Legislature. Referring to an Act dealing with the marketing of farm products which had been revealed in the Speech from the Throne in the Dominion House, he said that, while the Provincial Government had failed to mention it, it had been announced, only several days before, that a fund entrusted to the Legislature for administration was to be used to pay the expenses of a number of men who would be sent out over the Province to talk about the purposes and limitation of marketing. He stated that he could find no authority for spending the Trust Fund money in this way and he intimated that it was being used improperly. He declared that the Dominion Act would be merely enabling legislation to permit the Province free play in marketing matters. (*The Winnipeg Free Press*).

The Prime Minister on Feb. 13 denied the statement that any other wheat agreement had emanated from the London Conference than the one made public. There was, however, he stated, an understanding on the part of the exporting nations to get together and implement the details of the quotas already agreed upon. He ridiculed the suggestion that the Prairie Prime Ministers had persuaded Mr. Bennett against his better judgment to admit Canada to the Agreement. He stated that if enabling legislation were put through the Manitoba House it would become effective only in case of the next Summer's harvest exceeding that of 1933, and that it might also take the form of limiting wheat sales. Mr. Bracken in the course of his debate also reviewed the situation of the Province with regard to finance, unemployment relief, agriculture and the Ottawa Conference. (*The Winnipeg Free Press*).

The debate was concluded and the main Motion agreed to on Feb. 19 after a non-confidence Amendment by J. W. Pratt (Prog., Birtle) had been defeated on a vote of 13-28.

Estimates for 1934-35; the Budget Address. Estimated Expenditures for the fiscal year ending Apr. 30, 1935, totalled $13,565,975 as tabled in the House on Feb. 27, 1934. This compared with $14,537,023

estimated at the previous Session for the fiscal year ended Apr. 30, 1934. The Estimated Revenue for the fiscal year 1934-35 totalled $13,593,989 as compared with the Estimated Revenue for the fiscal year 1933-34 of $14,041,168. In the Estimated Expenditure for 1934-35 Public Debt and sundry charges amounted to $6,340,895; and all other charges, $7,225,078.

The Budget Speech was delivered on Mar. 2 by the Prime Minister, acting for the Provincial Treasurer during the latter's illness. Mr. Bracken briefly outlined the growth of state obligations and altered conditions of purchasing power. He pointed out that the average yearly net agricultural production of the Province between 1910 and 1913 exceeded $55,000,000; at the end of the War period it was $130,000,000; in 1929 it was down to $98,000,000 and "since then it has gone steadily down to less than $38,000,000 in 1933." He stated that the Total Gross Debt of the Province at Feb. 28, 1933, was $115,370,300 and at Feb. 28, 1934, on which date there was no bank overdraft, the total Debt was $118,479,138, unemployment relief expenditures and Current Deficit being the cause of the increase. He explained that for a large part of the year 1933 the Province had financed its own expenditures in connection with unemployment relief and as a consequence, 25-year, 5½ per cent. debentures had been issued in July, 1933, for the sum of $3,500,000 which were sold to the public at a cost to the Province of 6.19 per cent. Of the amount borrowed, $2,700,000 was used in financing relief expenditures.

The Revised Estimate of Revenues for the fiscal year 1933-34 amounted to $13,412,404; this was $628,664 less than the amount set out in the unrevised estimates of the 1933 Session. The Prime Minister anticipated that a deficit for the current year (1933-34), exclusive of the sinking funds of approximately $314,000, would be, approximately, $427,110. Estimated Expenditures on Current Account totalled $13,839,575.

Mr. Bracken spoke of the Resolution which had been passed during the 1933 Session, with respect to the desirability of collective action, to bring about a lowering of the interest rates on Government and Municipal bonds and on mortgage contracts. He stated that representations to this effect had been made by his Government to the Governments of all of the other Provinces, as well as to the Dominion Government itself, and, he continued, "it was suggested that collective action should be taken, along lines similar to the Australian plan, by all the Governments of Canada, both Provincial and Dominion, having in mind the general desirability under present conditions of a reduction in interest rates on private, Municipal and Government obligations . . . . For various reasons, which I need not here discuss, this proposal has not met with sufficient approval to be acted upon. What the future holds for such a plan is problematical. At the moment there is much opposition in Eastern Canada to any such scheme. You will, however, be asked to support the Provincial Government in the continuance of efforts in this direction . . . . Many suggestions have been made as to the manner in which interest rates might be reduced. Paramount among these is the suggestion that the Provinces and the Dominion should follow, in certain respects, the policy adopted by Australia, where all the States of the Commonwealth and the Commonwealth itself joined in the action that was taken. As a result, interest rates on 97 per cent. of the domestic loans of all the States and the Commonwealth itself were voluntarily lowered by 22½ per cent. and the same reduction on the other 3 per cent. of loans was brought about by compulsory action of the combined Governments. At the same time mortgage rates of interest were reduced by the same proportion."

The two chief speakers in the Budget debate which terminated on Mar. 5, when the Supply Motion was passed, were W. Sanford Evans, chief critic of the Conservative Party, and S. J. Farmer, Independent-Labour Member. Mr. Evans, on Mar. 5, maintained that the cut in the Estimates instead of being about $1,000,000, as stated by the Government, was actually no greater than $273,000. He claimed that the Government had not balanced the Budget; that they did not clearly understand the meaning of the term. He reminded the House that the Government had not paid the amounts appropriated the year before for Sinking Fund; he deplored the overburdened taxpayers of

Manitoba under Government charges, Municipal, Provincial, and Dominion. Referring to the Prime Minister's discussion of refunding operations, he stated that before they were justified in appealing to the people to take less than current interest rates, the Government would have to cut down their expenditures and balance the Budget; he did not believe that refunding was the solution of every problem.

Mr. Farmer called upon the Government to lead all other Canadian Provinces with drastic undertakings along three distinct lines: (1) to re-establish farmers by liquidating the mortgaged indebtedness and, through buying out the mortgagees with non-interest paying bonds, the farmer to repay the Government over a period of years; (2) to re-establish industrial workers by measures providing for shorter working days, regular hours and minimum wages for all workers; and (3) to put into execution an ambitious home-building programme for urban and rural areas, the houses when built to be owned either by municipalities or the Province or sold to the occupants on the instalment plan. To further this home-building scheme Mr. Farmer urged the Government to set up a credit account for such work, and issue non-interest bearing bonds spread over a term of years, and labour certificates for wages acceptable by the Government in *lieu* of taxes or for Government services. He ridiculed the Government's policies of retrenchment and of bringing expenditures within current revenue.

Legislation and Incidents of the 1934 Session. Prorogation of the Legislature took place on June 7. After opening on Feb. 8, the House had adjourned on Apr. 7 and resumed its work on June 5. The Prorogation Speech was delivered by the Lieutenant-Governor, the Hon. James D. McGregor, who, in his fifth year of office, made his last official appearance in the House. The most outstanding legislation of the Session was An Act to Confer certain Emergency Powers relating to the Control of the Sale, Delivery and Marketing of Wheat in 1934-35. The measure implemented the World Wheat Agreement signed in London in August, 1933, and was in line with Bills put through the Legislatures in 1934 of the other Prairie Provinces. The Prime Minister (Mr. Bracken) in discussing the measure in the House on Mar. 14, stated that the London Agreement sought to accomplish higher prices eventually for the producers of wheat. "It assumes," he stated, "that an over supply of wheat with consequent pressure of excess quantities on a limited market has the effect of lowering prices. It seeks to offset this fact by adjusting the supplies thrown upon the market to not more than the market will take. In other words, it seeks to reduce the pressure of an excess of exports on a limited market in the expectation that it will help to keep prices up and that it will encourage producers in the export nations to adjust their supplies to the effective demand."

Two Acts, supplementing Dominion legislation and similar to measures passed in the Legislatures of the other Provinces, provided for (1) the extension of credit facilities for the compromise of farmers' debts; and (2) the creation of marketing boards to co-operate with the Dominion Board established under the Dominion Act.

The Debt Adjustment Act extended and amended the Act of 1932; one section provided that farm debts in Manitoba could be settled with wheat in place of money and although the acceptance of wheat was not compulsory by the provision of the Act, no certificate to foreclose would be granted if refusal to accept the grain had been given.

After Bill No. 63, "An Act respecting General Public Passenger Transportation in Greater Winnipeg" which had been prepared by the Municipal and Public Utility Board for the Legislature, had been withdrawn on the last day of the Session, "An Act to continue an Inquiry into Mass Transportation in Greater Winnipeg" was read the first and second time, considered by Committee of the Whole, reported with certain Amendments, read the third time and passed. The discarded Bill had called for a sweeping change in the administration of the street railway system in Greater Winnipeg. It provided

for the separation of the System from all other utilities and for its operation by the Winnipeg Electric Company under the control and direction of a commission of seven members, four to be appointed by the City of Winnipeg and the chairman of the commission to be selected by the Chief Justice of Manitoba. The discarding of all existing contracts and franchises and the formation of a new statutory corporation with a capital stock of $6,000,000 in which would have been invested ownership of all the properties and equipment of the Winnipeg Electric Company, the Suburban Rapid Transit Company and the Winnipeg, Selkirk and Lake Winnipeg Railway, had been proposed. The City of Winnipeg would have received taxes on the Company's lands and buildings and these taxes would have been charged to operating expenses; the City would have received $100,000 a year for the use of its streets if earnings permitted after maintenance charges had been met.

A Supply measure arranged for an amount of $13,565,973 for Provincial Expenditure during 1934-35 and a Supplementary amount of $135,000.

A new Succession Duty Act was in conformity with decisions reached at an Inter-provincial Conference in 1933. The Act did not alter the existing schedule of Succession duties but it made the duties applicable to the property on passing instead of to the individual.

The control of sale and distribution of milk in the greater Winnipeg area was extended for 1934 under the Municipal and Public Utility Board by another measure passed. An Amendment to the Liquor Control Act permitted licensed hotels to sell beer by the case to permit-holders. Another Bill reduced the cost of automobile licences after May 1, and reduced the registration cost of heavy trucks and trailers.

By an Amendment to the Minimum Wage Act workers of all ages in Manitoba, whether male or female, were brought under the Act. It gave the Board administering the Act full powers to fix minimum rates of pay and maximum hours and to extend the application of the Act to every class of workers not then specified in the Statute. The measure also specified a minimum rate of pay of twenty-five cents an hour for all adult males in every industry where minimum rates for women and boys already had been established by the Board. Penalties for violations of the Minimum Wage Act were increased from a maximum of $100 to $300.

An Amendment to the Masters and Servants Act made it compulsory for the pay of servant's wages and stated that furniture was seizable as payments in lieu of cash.

A Libel Measure protected members of all races and creeds from ridicule in print, it being permissible to obtain an injunction in Court to halt such libel provided that enough evidence had been given to show that the libel was one tending to create tumults and riots.

Other legislation included revision of the Community Courts Act, of the Surrogate Courts Act, of the Real Property Act, and a new Assessment Act.

A Select Committee of the House was appointed to inquire into and report upon the administration and the financing of the public educational system of the Province, with powers to summon witnesses and to require the production of books and documents if necessary; the Committee was also to sit during the Recess of the Assembly. As a result of a Motion by S. J. Farmer (Lab., Winnipeg) a Special House Committee was authorized to consider, during Recess, and report on the whole question of properties "now exempt from Provincial and Municipal taxation, either by way of total or partial exemption or by way of fixed assessment, and to make such recommendations in the matter as it may deem necessary." Another Special Committee was to make an Inquiry during Recess into the operations of mutual insurance clubs in Manitoba. This was the outcome of a decision agreed to in the Law Amendments Committee when a Bill amending the Insurance Act was under consideration. In the interim, mutual insurance clubs, incorporated before 1932, were to be allowed to continue doing business without being subject to provisions of the Insurance Act.

During consideration in Committee of Supply of the estimates for the maintenance of Government House, totalling $7,551, it was disclosed by the Attorney-General (Hon. W. J. Major) that intimation had been sent by the Provincial Government to the Dominion Government that upon the appointment of the next Lieutenant-Governor, they no longer desired to pay for the upkeep of the official residence of the Lieutenant-Governor. During the debate that followed the announcement, the Attorney-General took exception to Colonel Webb's understanding that the Government wished the office of Lieutenant-Governor abolished. Staunch defenders of the office, as representative of His Majesty were: Marcus Hyman (Ind.-Lab.), Col. R. H. Webb (Con.), N. V. Bachynsky (Lib.-Prog.), and General H. D. B. Ketchen (Con.). (*The Winnipeg Free Press,* Mar. 17, 1934).

Agricultural Conditions; Reports of Organizations

In its summary of the various branches of agricultural production during the year 1933, the Report on Crops, Live Stock, etc., issued by the Department of Agriculture and Immigration, recorded an increase over the previous year in acres sown (1933 total, 5,963,900) and in the gross value of production ($33,188,000), in spite of a cold Winter and drought and a severe grasshopper outbreak in the Summer months. The net production, however, showed a decrease (see table below) and shortage of feed was a serious problem.

The number of horses in the Province at June, 1933, was estimated at 307,000 (1932, 341,500); cattle, 805,900 (1932, 734,500); sheep, 212,800 (1932, 199,100); and pigs, 262,300 (1932, 337,900). As a result of the scant supply of Winter feed, a shortage of all horses and higher prices for farm horses in particular were regarded probable for 1934. Cattle prices went still lower in 1933, the average for all cattle reaching the yards being $2.45 as compared with $3.05 the previous year. Prices of wool and of market animals showed a slight improvement in 1933. Wool production was estimated at 1,048,000 lb.

Creamery butter production during 1933 was 19,557,688 lb., an increase of 257,811 lb. over 1932; dairy butter, 9,225,000 lb. (approximate), an increase of 474,875 lb.; cheese, 954,462 lb., an increase of 277,229; and milk, 245,617,170 lb., an increase of 3,071,020 lb. Of the total of 9,010,176 lb. of butter shipped out of the Province, about 19 per cent. went to the United Kingdom. There were 62 creameries and 16 cheese factories in operation during the year.

There was a general trend in 1933 toward decreased production in chickens, and geese, with a slight increase in the number of ducks and turkeys. Hens and chickens on the farms at June, 1933, numbered 4,061,400; turkeys, 570,800; geese, 108,800 and ducks, 71,400. The approximate egg production was estimated at 17,000,000 doz.

The following table shows the estimated net agricultural production value for the years 1932 and 1933:

	1932	1933
Field Crops (less seed for following spring and feed used on farm where produced)	$18,000,000	$15,380,000
Live Stock Increase (less depreciation in horse value through labour of production)	7,400,000	6,400,000
Wool	31,000	102,000
Dairy Products	8,860,000	9,656,000
Poultry Products	4,011,000	3,208,000
Garden Products	1,500,000	1,600,000
Honey	412,000	304,000
Fur Farming	150,000	160,000
Clover and Grass Seed	40,000	50,000
Total Net Production	$40,404,000	$36,860,000
Average per farm, basis of 52,000 farms	$777	$709

The third estimate of the area, yield and value of field crops in 1934, issued by the Dominion Bureau of Statistics, was as follows:

	Area Acres	Yield Per Acre Bush.	Total Yield Bush.	Average Price Per Bush.	Total Value
Spring Wheat	2,533,000	14.6	37,100,000	$0.65	$24,115,000
Oats	1,458,000	18.3	26,752,000	0.32	8,561,000
Barley	1,125,000	15.4	17,298,000	0.46	7,957,000
Fall Rye	76,800	13.1	1,006,000	0.50	503,000
Spring Rye	10,600	12.1	128,000	0.50	64,000
All Rye	87,400	13.0	1,134,000	0.50	567,000
Peas	2,000	11.0	22,000	1.40	31,000
Buckwheat	7,900	10.0	79,000	0.63	50,000
Mixed Grains	23,800	16.5	393,000	0.35	138,000
Flaxseed	25,600	7.0	180,000	1.17	211,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	41,700	55.0	2,288,000	0.62	1,419,000
Turnips, etc.	5,800	98.0	569,000	0.47	267,000
		Tons	Tons	Per Ton	
Hay and Clover	585,200	1.38	810,000	6.54	5,297,000
Alfalfa	29,100	1.62	47,100	8.57	404,000
Fodder Corn	76,400	2.96	226,000	5.38	1,216,000

Manitoba Pool Elevators, Limited. In submitting their Report for the year 1933-34 to the Annual Meeting in October, 1934, the Directors of Manitoba Pool Elevators, Limited stated that there were 150 Pool Elevator Associations members of the organization; this comprised a total active membership of 9,278. Deliveries of all grains to the Company during the season amounted to 10,034,359 bushels, of which 9,323,532 were handled through Pool Elevator facilities and the balance of 710,827 delivered over the platform. This showed a decrease of 3,214,889 bushels from the 1931-32 total of 13,816,534 bushels. The 1933-34 total represented 26.9 per cent. of the total deliveries of grain in Manitoba, as compared with 28.3 per cent. for the previous season. This was stated to have been due chiefly to the very poor crop conditions in the south-west, where the proportion of the Company's elevators was larger than in any other part of the Province. The third annual ten per cent. instalment of principal of $37,125, plus interest of $17,820, was paid to the Saskatchewan and Alberta Pools on Aug. 1, 1934, reducing the amount owing on the terminal to $259,872. Eastern shipments handled for the Alberta Wheat Pool were 4,564,507 bushels during the period under review, as compared with 1,092,671 bushels in 1931-32. Deliveries to the voluntary wheat pool in 1933-34 totalled 98,276 bushels.

In referring to operating policy the Report stated that in the previous two years (1932-33 and 1933-34) the System had been able to meet all its obligations to the Government, pay off some of the arrears which had occurred in 1931-32 and, in addition, had accumulated approximately $150,000 of working capital, $103,000 of which was the 1933-34 contribution despite the 25 per cent. reduction in handle from the previous season. The net operating surplus for 1933-34 was $361,046. This good showing was declared attributable to the satisfactory carrying charge on an increased quantity of grain carried in country elevators and in the terminal; to the successful merchandising of premium grains such as malting barley and Durum wheat and the selling of a considerable quantity of No. 1 Hard at attractive premiums; and, finally, to the basis of the policy as represented by the Four-Party Agreement of 1931 (see *The Canadian Annual Review, 1932*, page 256), supplemented by the further agreement entered into in 1933 which provided for operation as a line of elevators only to the extent of paying operating expenses and interest on the indebtedness to the Government, thus making it possible to consolidate the individual units into a group without sacrificing local autonomy.

Topics of discussion at the Meeting, most of which were adopted in the form of resolutions, included the National Products Marketing Act, co-operative education, debt adjustment legislation, the elimination of street spreads, a relief fund for the drought area, the grant of $6,000 to the Manitoba Co-operative Conference, investigation into the selling of grain futures on the Winnipeg Grain Exchange, free transportation on feed grains and fodder to non-relief farmers in the drought area, greater use of the Hudson's Bay

route, and the development of a rural rehabilitation scheme. P. F. Bredt was elected President for 1934-35; C. H. Burnell, Vice-President; John Quick, W. J. Parker, J. W. Baldwin, G. N. McConnell, and W. E. Ring, Directors.

United Farmers of Manitoba. In his address at the Annual Meeting of the United Farmers of Manitoba, Oct. 23-25, 1934, the President, Roy McPhail, referred to the prospective Provincial General Election in 1935. While emphasizing the non-political character of the organization of the U.F.M. which had been adhered to since its decision in 1928 against affiliation with any political group, Mr. McPhail reminded his audience "that we have definite clearly-defined policies for which we have always stood and which we still advocate to-day . . . lower Customs' tariffs, public ownership of railways, and reform in our methods of taxation." The subject of free public education in the Province was another important matter involving a decision of policy, the President stated.

Outstanding among the resolutions passed at the Convention were those recommending investigation by the Price Spreads Commission into prices of binder twine and all lines of farm machinery and repairs; the placing of feed corn and seed corn on the free tariff list; immediate reduction of Canadian tariffs on all commodities and further progressive reductions toward the basis of a tariff for revenue only; the scaling down of all principal and interest rates on farm debts controlled by secured creditors; the reduction of interest rates to five per cent.; relief for farmers in the drought area and the commencement of a ten-year programme of public works to alleviate drought conditions involving a water conservation plan and reforestation of all lands suitable for forest growth. J. S. Wood, Oakville, was elected President for the year 1934-35.

Mines, Lands and Power. The total mineral production of the Province in 1933, according to a summary prepared by the Department of Mines and Natural Resources, was valued at $9,025,733 which included $992,107 exchange equalization on gold. The production was divided as follows: metallics, $8,241,324; non-metallics, $116,913; clay products, $20,966; and structural materials, $646,530. Only the metallics showed an increase over the previous year, although the production of copper fell off as a result of non-production from the Sherritt Gordon mine. Gold, silver and zinc recorded increases in production value of 2 per cent., 6.3 per cent. and 4.2 per cent. respectively. There were 2,803 more ounces of gold produced in 1933 than in 1932. Production of non-metallics showed a decline of over 50 per cent. This falling off brought the returns for non-metallics below $1,000,000 for the first time since 1908. The serious affect of the depressed state of the construction industry upon the production of non-metallics was indicated by the decline from the production of structural material from $4,068,490 in 1930 to $646,530 in 1933, and of clay products from $362,240 in 1929 to $20,966 in 1933. The lime industry made encouraging resistance to the general trend, due chiefly to the use of lime for metallurgical and chemical purposes. The figures for lime were 18,032 tons valued at $167,640 for 1933 as compared with 18,235 tons valued at $172,180 for 1932. Salt, which appeared in the statistical returns for the first time in 1932, showed an increase from 508 tons valued at $7,092 to 1,499 tons valued at $18,388 in 1933. The Flin Flon mine operated continuously throughout 1933 with 1,604,102 tons mined and milled, producing 94,745 oz. of gold, 1,222,895 oz. of silver, 41,148,717 lb. of copper, and 46,305,736 lb. of zinc. The total production of the mine, extending for a considerable length into the Province of Saskatchewan, includes the figures for both Saskatchewan and Manitoba. The San Antonio and Central Manitoba Mines, treating gold quartz ores, produced about 30 per cent. of the gold and about 5,000 oz. of silver. Very satisfactory results were obtained in the development of the San Antonio mine which permitted the Company to announce the payment early in 1934 of its first dividend, 5 cents a share, also marking the first dividend to be paid by a gold mine in Manitoba. The Company also announced an increase in milling capacity to be brought about early in 1934. During 1933 the

San Antonio mined and milled 55,577 tons of ore, producing 22,764 oz. of gold, valued at $469,621 and 3,471 oz. of silver valued at $1,210. This did not include the exchange equalization of $186,139. The Central Manitoba mine produced 12,862 oz. of gold valued at $265,885 and of silver 2,470 oz. valued at $827. The exchange equalization was approximately $106,354. Smaller productions of gold and silver were made by several other operators.

The Lands Branch of the Department reported a total revenue for the year ended Apr. 30, 1933, of $65,794 and administration costs of $43,002, leaving a surplus of $22,792. Principal and interest payments on land sales decreased from $42,545 in 1931-32 to $31,882 during the period under review. Sales for the year aggregated $45,029. A total of 346 homestead and soldier grant entries were dealt with during 1932-33, resulting in the cancellation for non-fulfilment of duties of 121 transfers issued and 225 entries. Nine townsites and settlements, including the townsite of Churchill, were made available for occupation during the year. Contracts cancelled numbered 109, representing 16,309 acres, plus 18 townsite lot sales, of which the total cash value amounted to $183,655. School land sales cancelled accounted for 56 per cent. of this sum.

The work of the Manitoba Power Commission during the fiscal year ended Nov. 30, 1933, was confined to town distributions only, no major extensions to the system being made. Gross revenue for the year was $820,107, with fixed and operating charges of $822,435, leaving a net operating loss of $2,328. This indicated a considerable improvement over the previous year, despite the fact that a reduction was made in the unit price of electrical energy. The total energy purchased and generated during the year was 16,928,811 k.w.h., an increase of 2.18 per cent. over 1932.

Report on the Fishing Industry. The Report (dated Nov. 9, 1933) of the Commissioners appointed June 8, 1933, to investigate the fishing industry of Manitoba was mainly concerned with the improvement of the marketing situation. It aimed (a) to overcome the evils of uneconomic competition and at the same time restrain collective action from becoming monopoly control and (b) to obtain a greater regulatory control over United States companies or their Canadian subsidiaries, which produced or bought fish in Manitoba. To this end the following recommendations were made: (1) the establishment of a clearing house, the members to consist of the holders of exporter's licences representatives of the fishermen and of the Government, to regulate and to act as authority in all matters pertaining to the welfare of the industry; (2) the holding of an inter-Provincial conference, inasmuch as the marketing of fish was an inter-Provincial problem, with a view to approving and adopting such principles as the licensing and bonding of buyers and agents, the control of fish exports by Provincial clearing houses by establishing a marketing quota, prohibiting consignment shipping and fixing local seasons so as to eliminate competitive production; and (3) consideration by the Conference of the transfer of the administration of all commercial fisheries to the Federal Government. The Commissioners also submitted detailed regulations regarding production methods, seasons, restricted areas, licences, and conservation.

Unemployment Relief and Labour. In its summary of unemployment relief activities in the Province during the year ended Apr. 30, 1933, the Bureau of Labour reported a total cost of $4,684,420 in that period for direct relief in the form of food, fuel, clothing and shelter. This amount, of which the Provincial Government's share (one-third) was $1,616,667, represented an increase of nearly 40 per cent. over the sum of $3,378,665 expended during the fiscal year 1931-32. In the month of April, 1933, direct relief was being issued to 17,397 cases, involving 76,437 individuals; of these, the City of Winnipeg accounted for 9,552 cases covering 38,517 individuals (not including transients). As a result of the Dominion Government's decision to discontinue its relief work policy, no new projects were undertaken in the Province in 1932-33. A number of those started in the previous year, however, were completed, resulting in a total expenditure of $2,060,805, of

which $821,057 was assumed by the Provincial Government. Most of this work was in Winnipeg and Brandon as approval of the completion of several rural projects, mostly highway construction, was refused by the Dominion. Under the rural rehabilitation plan in 1932-33 (first year of operation) 260 unemployed families were settled in urban districts on improved farms. The total cost was $82,089, of which $6,000 was spent on administration, $18,675 for sustenance, and $57,414 for the purchasing of stock and equipment. The Provincial share, including half the administration costs, was $28,932. From the date of its organization, Nov. 15, 1932, to Apr. 30, 1933, the sum of $351,919 was spent by the Relief Commission for unemployed single men, 8,000 of whom were receiving relief from this source at the end of the fiscal year. These, combined with the individuals on family relief, numbering 76,000, brought the total of relief recipients in the Province to 84,000, or over 12 per cent. of the entire population. The total expenditure on direct relief and relief works in the Province from Oct. 1, 1930, to Apr. 30, 1933, was over $18,000,000.

The Bureau of Labour reported 13,613 inspections made and 5,790 orders issued during the year ended Apr. 30, 1933. As a result of determined efforts to enforce the Minimum Wage Act, 105 claims for wages were settled and a total of $1,574 collected in small amounts for girls and women. During the 1934 Session of the Legislature the Act was made applicable to adult males and to employees in hotels, restaurants, clubs, etc.

Reports of 6,560 accidents, 12 of which were fatal, were received by the Workmen's Compensation Board during 1933 as compared with 6,858 the previous year, 23 of which were fatal. On Dec. 31, 1933, the Board had on its books 538 dependants of workmen killed in industry since Mar. 1, 1917. The actual cash disbursed by the Board during 1933 amounted to $789,560 as compared with $851,393 in 1932. Cheques issued numbered 28,910 as compared with 29,833 in the previous year.

Education. Education statistics for the school year ended June 30, 1933, as given in the Annual Report of the Department of Education for that year, included the following: enrolment of pupils, 150,070, a decrease from the previous year of 1,857; average daily attendance, 121,190, as compared to 122,843 in 1931-32; school districts organized, 2,238, an increase of five; school departments in operation, 4,290, a decrease of 12; teachers employed, 4,406, of whom 955 were male and 3,451 female; and total disbursements charged against legislative appropriations, $2,076,795.

The University of Manitoba had an enrolment of 2,646 in its regular courses for the 1933-34 session. In addition, 487 pupils were enrolled in extension courses in commercial subjects, geology and agriculture. At the Annual Convocation on May 16, 1934, 512 degrees and diplomas were conferred. The honorary degree of LL.D. was received by the Hon. J. T. M. Anderson, Prime Minister of Saskatchewan, and by James Alexander MacLean, PH.D., first President of the University of Manitoba. The resignation of Dr. MacLean from the office he had held since 1913 became effective on Apr. 30, 1934, and the acceptance of that post by Sidney Earle Smith, LL.B., Dean of the Faculty of Law, Dalhousie University, since 1929, was announced on June 15. Formal installation of the new President took place in October. Another important appointment of the year, officially announced on June 1, was that of J. W. Dafoe, Editor-in-Chief of *The Winnipeg Free Press*, as Chancellor of the University to succeed His Grace, Most Rev. S. P. Matheson.

Health and Public Welfare; Other Departments. In their Report for the fiscal year ended Apr. 30, 1933, the Department of Health and Public Welfare stated that out of a total appropriation of $1,795,000 approximately $182,000, or 11 per cent., was spent for the prevention of disease and the preservation of health; $508,000, or 28 per cent. under the Child Welfare Division; and $590,000, or 33 per cent., on the care of mental defectives. The Child Welfare Division reported 139 adoption contracts approved and 164 decrees of absolute adoption signed by the various county court judges, these

figures being exclusive of the adoptions carried through by the Children's Aid Societies. Visits to and inspections made of the various adopting homes numbered 551. A slight increase was again noted in the number of patients (1,978) in the mental institutions of the Province at Apr. 30, 1933. The report on disease prevention stated that the diphtheria situation was less favourable in Manitoba than in any other Province and emphasized the need for more widespread immunization. Cancer was also becoming a serious problem, the total of 975 cases reported in 1933 (calendar year) showing an increase of 112 over the number in the previous year. Chicken-pox cases reported numbered 2,062 in 1933, as compared with 1,579 in 1932, and whooping-cough, 2,229, as compared with 1,083. The Public Health Nursing Service, the staff of which consisted of 25 nurses, reported 22,970 children examined, 13,894 of whom had defects, during the year ended June 30, 1933. In addition, 3,233 classroom talks were given and 236 home nursing classes held. During the calendar year 1933, the nurses made 31,253 home vists, 4,537 of which were to families with cases of tuberculosis. Preliminary vital statistics for 1932 were as follows (rate per 1,000 of population): births, 19.9; and deaths, 7.5, making the rate of natural increase, 12.4.

Applications received by the Old Age Pensions Branch (administered by the Workmen's Compensation Board) during the fiscal year ended Apr. 30, 1934, numbered 1,882, bringing the total number received since the inception of the Act in Manitoba in 1928 to 14,462. There were 719 deaths of pensioners during the year. The total amount paid to pensioners in 1933-34 was $2,075,544, the cost to the Province, including administration, being $540,486.

Liquor sales for the year ended Apr. 30, 1933, as reported by the Government Liquor Control Commission, amounted to $2,404,998; sales for beer licensees, $1,710,535; and other revenue (brewery tax, permits, etc.), $478,976, making a total for sales and other revenue of $4,594,509. The cost of trading was $3,036,645 and operating expenses were $463,577, leaving a net profit from all sources of $1,094,287.

The Annual Report of the Department of the Provincial Secretary for the year ended Apr. 30, 1933, gave the total revenue for that period as $58,976, including $14,019 received from advertisements in and sales of *The Manitoba Gazette*. Letters Patent granted numbered 137, the aggregate capital stock being $5,190,000 par value shares and 7,088,800 shares of no par value. Ten Supplementary Letters Patent were granted to existing companies, two of which were to increase and three to decrease the capital stock, while one was for conversion of shares and four for change in name. Licences granted under Parts IV and XIV of the Companies Act numbered 143.

The Report of the Superintendent of Insurance for the calendar year 1933 showed 263 Dominion and 23 Provincial companies licensed to do business in the Province at Dec. 31, 1933. Total premiums for the year were $18,486,485, of which $17,989,171 belonged to Dominion companies and $497,314 to Provincial. Losses amounted to $12,013,151 (Dominion, $11,621,097 and Provincial, $392,054). The ratio of losses paid to premiums collected was as follows: fire, 31 per cent. as compared with 36 per cent. in 1932; automobile, 42 per cent. as compared with 52 per cent.; liability, 39 per cent. as compared with 32 per cent.; sickness and accident, 75 per cent. as compared with 53 per cent.; and hail, 80 per cent. as compared with 29 per cent. Life insurance showed an increase of $134,370 for premiums collected, as compared with a $786,080 decrease in 1932, and payments to policy-holders, an increase of $241,795 over 1932. Agents' licences issued during the year numbered 3,981.

The fiscal year ended Apr. 30, 1933, was the first year of operation of the Debt Adjustment Act, 1932, by which the creditor was required to obtain a certificate or permit before taking legal proceedings of certain specified kinds, whereas the 1931 Act had put the onus of making the application on the debtor. The Debt Adjustment Commissioner, in his Report for that year, stated that there were only 157 farm cases hopeless of settlement where certificates to permit foreclosure were issued. In urban cases, 94 certificates were issued for the same reason. There was also a considerable number of certificates, both rural and urban, issued for foreclosure because of failure to

reply to notices. Of the total certificates in force, 23 per cent. were urban cases. Rural certificates numbered 953, of which 627, including 150 applications for permission to seize a share of the crop, were issued in connection with mortgages or agreements for sale of land. The Report declared that the Board had not been successful in making many actual reductions of debt, most of the larger creditors preferring to leave the matter of adjustment over to a future period of greater stability. Out of a total of 44,000 non-tenant farmers in the Province, only about 5 per cent. had brought their difficulties before the Board. The Commissioner reported that the 1932 Act had greatly increased the work of the Board. During the period under review, approximately 3,481 cases out of 4,546 files opened were disposed of.

The Province of Manitoba

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. W. J. Tupper, K.C.

The Bracken Ministry (Coalition)

Prime Minister and President of the Council ..... The Hon. John Bracken, B.S.A., LL.D.
Attorney-General and Minister of Telephones and Telegraphs ..... The Hon. W. J. Major, K.C.
Minister of Public Works and Minister of Labour ..... The Hon. W. R. Clubb
Minister of Education and Minister of Health and Public Welfare ..... The Hon. R. A. Hoey
Minister of Agriculture and Immigration ..... The Hon. D. G. McKenzie
Municipal Commissioner, Provincial Secretary, and Railway Commissioner ..... The Hon. D. L. McLeod
Provincial Treasurer ..... The Hon. E. A. McPherson
Minister of Mines and Natural Resources ..... The Hon. J. S. McDiarmid
Minister without Portfolio ..... The Hon. A. Prefontaine

Speaker of the Legislative Assembly ..... The Hon. P. A. Talbot

Heads of the Administrative Services

Clerk of the Legislative Assembly ..... H. H. Dunwoody
Clerk of the Executive Council ..... J. L. Johnston
Deputy Provincial Treasurer ..... R. McN. Pearson
Assistant Deputy Provincial Treasurer ..... S. W. Christie
Deputy Attorney-General ..... John Allen, K.C.
Assistant Deputy Attorney-General ..... D. G. Potter, K.C.
Deputy Minister of Public Works ..... A. McGillivray
Deputy Minister of Labour and Assistant Deputy Minister of Public Works ..... A. MacNamara
Deputy Municipal Commissioner and Deputy Provincial Secretary ..... R. M. Fisher, K.C.
Deputy Minister of Agriculture and Immigration ..... J. H. Evans
Deputy Minister of Mines and Natural Resources ..... Charles A. Attwood
Assistant Deputy Minister of Mines and Natural Resources, and Solicitor ..... David J. Allen
Deputy Minister of Education ..... Dr. R. Fletcher
Assistant Deputy Minister of Education ..... C. K. Rogers
Deputy Minister of Health and Public Welfare ..... F. W. Jackson, M.D.
Provincial Librarian ..... W. J. Healy
Commissioner of Telephones ..... J. E. Lowry
Civil Service Commissioner ..... C. M. McCann
Comptroller-General ..... J. C. M. Ligertwood, C.A.
Chairman, Manitoba Power Commission ..... Herbert Cottingham
Commissioner, Workmen's Compensation Board ..... C. K. Newcombe
Municipal and Public Utilities Board ..... W. R. Cottingham, Chairman; D. L. Mellish; George H. Balls

THE PROVINCE OF BRITISH COLUMBIA

A New Liberal Administration; Mr. Pattullo as Prime Minister

July, 1933, saw the Province of British Columbia in the midst of preparations for a General Election. No definite date had been set by the Prime Minister, the Hon. S. F. Tolmie, but it was expected that the country would go to the polls sometime in the early Autumn. The political situation was full of complexities. Mr. Tolmie, at the head of the Conservative Administration which had come into power in August, 1928, almost at the peak of national prosperity, and following a Liberal *régime* of twelve years, was confronted with Party dissensions and disloyalties. He had called, in September, 1932, in an effort to cope with the unusual financial situation arising in the Province as a result of general economic conditions, for a coalition of all Parties. He had advocated the establishment of a Union Government, promising a complete reorganization of his Cabinet, with a reduction in the number of Members, the inauguration of stringent economies in the administration of the Province's affairs and a General Election, in the near future, on the basis of a Union Government, with the question of leadership to be determined by the newly-elected Members. Subsequent proffered membership in the Cabinet had been refused by T. D. Pattullo, Leader of the Liberal Party, and by W. J. Bowser, a former Conservative Prime Minister of British Columbia. Two months after the close of the 1933 Session of the Legislature the Hon. W. A. McKenzie, Minister of Mines, and the Hon. R. W. Bruhn, Minister of Public Works, had resigned from the Tolmie Cabinet: Mr. McKenzie gave as his reason, the action of the Government with regard to irrigation loans; and Mr. Bruhn expressed dissatisfaction with the Prime Minister's failure to form, according to his promise of some months before, a Union Government. Mr. Tolmie had previously reduced the size of the Cabinet by the retirement of three Ministers: the Hon. W. C. Shelly, President of the Council; the Hon. N. S. Lougheed, Minister of Lands; and the Hon. William Atkinson, Minister of Agriculture. He had also announced, as the first step toward the formation of a Union Administration, the appointment of William M. Dennies, President of the National Labour Council, as Minister in charge of a new Portfolio of Labour.

Dissolution of the Seventeenth Legislature took place on Aug. 1, 1933, and on the 18th, the Prime Minister announced that the General Election would be held on Nov. 2, with official nominations to be filed on Oct. 12. Nomination Day saw 219 candidates in the field for the 48 seats in the Legislature. They were divided amongst eleven groups: Unionist (Tolmie Government), 13; Liberal (Pattullo), 47; Conservative (unofficial), 4; Independent (Non-partisan), 38; Co-operative Commonwealth Federation, 46; Indepen-

dent C.C.F., 8; Independent, 35; United Front, 19; Labour, 3; Independent Labour, 2; and Socialist, 4. Eleven women were amongst the candidates, well distributed as to Party adherence.

It had been decided, months before Nomination Day, by the British Columbia Conservative Association, that as an organization, they would take no part in the Election but would leave their members to support whom they wished in the various ridings. The Prime Minister, in launching his campaign at Saanich on Sept. 27, reiterated his appeal: "To men and women of character and ability who will set aside party politics," to unite to solve the problems of the day. He proclaimed his policy of setting up a Union Government which would "oppose the dole system and propose that services shall be rendered for relief granted," and, in conjunction with labour and industry, would conduct a survey to find and develop every means of creating employment. Other items of his policy were as follows: rotation of work and shorter hours of labour; a request to the Dominion Government to appoint a Royal Commission to inquire into the subject of securing "better terms" for British Columbia than those under which the Province entered Confederation and which he did not consider as favourable as those given to other Provinces; the encouragement of outside as well as local capital for investment in British Columbia and for this, he pointed out, stability should have to be maintained; a request to the Dominion Government for a redefinition of Dominion and Provincial fields of taxation, the income tax being a case in point; state health insurance on a Dominion basis; a national system of unemployment insurance on a contributory basis; and the disposal of the P.G.E. Railway on terms that would ensure its completion to the Peace River district.

Early in September the Independent group had proclaimed their Manifesto. They did not seek election on a Party basis; each Non-Partisan Member would be free to vote in the Legislature "untrammelled by allegiance to any leader, party or caucus." If they formed a majority in the new Legislature they would choose one of their group as Prime Minister but they would support him and the Non-Partisan Cabinet which he formed only so long as they felt the Administration was giving good government. General lines of policy were as follows: early adoption of a nation-wide system of contributory unemployment insurance and a solution of unemployment; opposition to further heavy borrowings and issuance of currency at cost against Provincial bonds by the Dominion Government to defray unemployment relief; establishment of a central bank to issue currency, regulate price levels, govern credit and reduce interest charges; Federal legislation to provide for orderly marketing of agricultural produce; amendment of the Security Frauds Prevention Act to encourage investment in mines and protect investors and prospectors; urging of the Dominion Government to extend the Pacific Great Eastern Railway as an unemployment relief measure; and "We will not attempt to secure election by promising reforms which no Provincial authority is empowered to undertake."

On Oct. 25, less than two weeks after Nomination Day, the unexpected death of W. J. Bowser occurred from heart failure. Following Mr. Bowser's death Mr. Tolmie made an unsuccessful effort to unite the Independent Non-Partisan group, which had been virtually led by Mr. Bowser, who had announced his decision to enter public life a short time after his refusal of Mr. Tolmie's offer of a Portfolio in the Cabinet. Due to the death of Mr. Bowser who had been a candidate in the constituencies concerned, voting in six seats, four in Victoria, and two in Vancouver Centre, was deferred until Nov. 27.

Sept. 26 witnessed the first major campaign address of the Liberal Leader, T. D. Pattullo, in Vancouver. "Work with wages" was his battle cry. Doles, he stated, were breaking down the morale of the people. Other policies enunciated by the Liberal Leader were: national credit for a war on poverty; round table conferences with the Dominion and Provincial Governments to discuss the advisability of Dominion loans to the Provinces without interest for public works programmes, and "if the Dominion will not act, then we of British Columbia must use the resources at our disposal;" the setting up of an economic council to co-operate between labour and capital; no repudiation of debts but would endeavour to arrange for a conversion loan; abolition of the meal tax and the one per cent. tax on wages; equitable adjustment between the Province and the municipalities and the placing of the latter in a sound financial position; national unemployment insurance; state health insurance; a national central bank; a highway board in the Public Works Department of the Province; a far-reaching programme for education; and the removal of alleged abuses from the administration of Mothers' Pensions.

The Co-operative Commonwealth Federation, which had entered the political field of British Columbia as a political entity for the first time, placed a candidate in every constituency except Fernie where an Independent Labour, Thomas Uphill, was considered favourable to the C.C.F. policies. Briefly, the C.C.F. platform included: "Co-operation with other Provinces to obtain complete socialization of all the financial machinery of the country—banking, currency, credit and insurance—and, if compelled by a situation of Provincial emergency, to develop purely Provincial credit, based on Provincial resources." It contemplated the development of a socialized economic plan in order to regulate the productive activities of the Province and to secure maximum efficiency in distribution and exchange.

The United Front Party was made up of various "workers" parties and included in their platform a non-contributory unemployment insurance plank.

A sweeping victory was recorded for the Liberal Party on Nov. 2, the Government or Unionist group suffering almost annihilation.

Only one Unionist was elected, the Hon. R. H. Pooley, Attorney-General; the Prime Minister, other members of his Cabinet, and the balance of his followers all went down to defeat. Of the total 41 candidates elected on the 2nd—voting in six constituencies had been deferred until the 27th—30 were Liberal; 6, C.C.F.; 1, Independent; 1, Labour; 2, Non-Partisan; and the 1 Unionist (Pooley). Returns on the 27th of the month for the voting in the two seats for Vancouver Centre and the four for Victoria City were: 2 Liberal candidates for Vancouver Centre and for Victoria City, 2 Liberal, 1 Independent and 1 C.C.F.

At dissolution of the Seventeenth Legislature on Aug. 1, 1933, the standing of the Parties were: Conservative, 35; Liberal, 11; Labour, 1; and 1 vacancy.

The resignations of Mr. Tolmie and the members of his Cabinet were presented to the Lieutenant-Governor on Nov. 15; and on the same day, the members of the new Liberal Cabinet were sworn into office, His Honour having previously called upon the Liberal Leader, Mr. Pattullo, to form a Liberal Administration. (For personnel of the Pattullo Cabinet see list at the end of this Section). The new Prime Minister had held Cabinet rank in the Oliver and MacLean Administrations (1918-28), as Minister of Lands; and the new Minister of Finance, Mr. Hart, had held the same Portfolio in the Brewster and MacLean Administrations (1917-24). Three of the other Ministers, also, had been Members of previous Legislatures. These were Mr. Gray, Minister of Lands; Mr. Pearson, Minister of Mines; and Mr. MacPherson, Minister of Public Works. The remaining three without Legislative experience were: Mr. Weir, Minister of Education; Mr. Sloan, Attorney-General; and Mr. McDonald, Minister of Agriculture. Mr. Sloan and Mr. Hart were not elected until the 27th: Mr. Sloan, in Vancouver Centre, and Mr. Hart, in Victoria.

An incident of the deferred voting in the six constituencies was a denunciatory radio address against the Government on the eve of the elections by G. G. McGeer, Liberal Member-elect for Vancouver-Burrard, who had been prominent throughout the Liberal campaign but who had taken exception to his exclusion from the Cabinet. Speaking to the voters on Nov. 26, he declared that: "It would be interesting to learn from Mr. Pattullo who it was that voted for the Liberal Party because they either figured or knew that I was to be used to Election day and discarded thereafter." There were only two groups opposed to him, he said, the liquor interests and the banking community. The latter, he excluded in his own mind from having influenced the Prime Minister but, as to the other group, "I can only infer," he said, "that the liquor interests of this Province were assured by Mr. Pattullo that they had nothing to fear from me." He called upon the electors to discipline the Government: "I am firmly of the opinion that the crying need of this Province is a real Opposition to the Government Mr. Pattullo has created," he concluded. (*The Vancouver Province*, Nov. 27, 1934).

Preparations for the First Session of the Eighteenth Legislature were begun almost immediately by the new Government; this necessitated a thorough investigation into Provincial finances and the drawing up of a legislative programme embodying, for the most part, pre-Election pledges. A financial statement, given to the Press by the Minister of Finance, showing the situation at Nov. 15, was included in the Budget Address of Mar. 12, 1934. The Prime Minister and the Attorney-General attended the Dominion-Provincial Conference at Ottawa in January, 1934, and upon their return to British Columbia, announced that direct negotiations between the two Governments with regard to purely Provincial matters were to be opened at a future date. A few days before the opening of the 1934 Session the Report of the Royal Commission on Municipal Taxation, appointed by the Tolmie Government on May 22, 1933, and consisting of three members with A. M. Harper as Chairman, was made public. Suggestions were made by the Commission that a higher income tax and an increment tax should be imposed for the Province and for the municipalities, a net profits business tax and a compulsory improvements levy. Six express ways were pointed out in which the Province could assume, or reassume, added costs to benefit the municipalities and the hospitals; all this, the Commission stated, would take some time to accomplish. In the meantime it proposed that civic corporations should be put back on their 1929 basis in grants and social service benefits, a form of relief estimated by the municipalities themselves to be worth, approximately $3,000,000 a year. In the greater Victoria area, it was suggested that the inner wards of Saanich should be annexed to the City of Victoria. The Report stated that it was obvious that "under existing conditions Provincial revenue is bound to be short of necessary requirements. If additional obligations are to be carried by the Provincial Administration, there is no other alternative than that the taxpayer must be willing to subject himself to a somewhat painful and prolonged process of increased taxation. The basis of taxation will have to be broadened and deepened." The Municipalities, the Commission found, had a just claim on the Province. Their existing revenues were declared inadequate; additional municipal revenues were needed and these, the Report stated, could not come from land.

Prorogation of the Legislature took place on Mar. 29, the Budget Address with the Government's refunding scheme and the "Special Powers" Act being the highlights of one of the most colourful Sessions in the history of the Province. Five days later the Industrial Relations Board, with Adam Bell as Chairman, was set up under the Amendments to the Minimum Wages and Hours of Work Act. On Apr. 7 the Prime Minister issued a statement explaining the financial position of the Province and the "Special Powers Act." He stated that there were over 100,000 persons on relief in the Province and that, in order to reduce this number the Government wished to get

the people on the land, away from congested areas, and to provide them with comfortable subsistence. To do this they would use all the natural resources of the Province to the limit of the Government's financial capability. "We believe," he said, "that by pursuing this course, conjoined with the proper refunding of our Debt structure we shall have achieved a prosperity far beyond anything which we have heretofore enjoyed." He stated that his Government was in negotiation with the Dominion Government for a loan "to tide over the present situation" but that he did not know what the outcome would be. "Some misinformation and prejudiced opinion," he stated, "suggests that the Special Powers Act is opposed to the principles of democratic government, and that it should be disallowed by the Ottawa Government. The most competent advice in this Province states that the Act is entirely within our competence. I can conceive of nothing more disrupting than would be the disallowance of this measure." Ten days after the Prime Minister's published statement, the personnel of the Economic Council, for which legislation had been enacted during the Session, was announced; the six members, with Prof. W. A. Carrothers as Chairman, were to undertake investigation of the possibilities of economic and industrial development in the Province, with a view to making recommendations as to market extension, industrial expansion, increase of employment, and for any other purpose calculated to promote the scientific development of the Province.

In April, 1934, Mr. Pattullo accompanied by Mr. Sloan and Mr. Hart left for Ottawa to complete negotiations with the Dominion Government with regard to their request for a substantial loan. A few days after their arrival at the Capital it was announced that the Dominion Prime Minister had definitely refused to accept the statement of requirements presented by the Provincial Government. They were asked to submit a new programme which would substantially reduce the contemplated Deficit of $2,123,000 on Ordinary Account for the current year "which you anticipate notwithstanding your suspension of Sinking Fund requirements which amounted to $2,421,-620 last year." In the meantime Mr. Bennett (Dominion Prime Minister) stated that his Government were prepared to advance such sums as might be necessary to meet immediate and pressing requirements on the understanding "that your revised Budget is to be submitted some time within the next five or six weeks at the outside." Mr. Bennett further stated that it would be desirable that a balanced Budget on Current Account should be shown but, realizing the difficulties of the situation, his Government would not go to this extent in their demands but would insist, however, that the contemplated Deficit should be reduced to something in the neighbourhood of $1,000,000 at the outside. No further statements were forthcoming for the time being but Mr. Sloan and Mr. Hart returned to British Columbia and Mr. Pattullo left for Montreal and New York. The latter returned to Ottawa, however, and on May 18 announced that an understanding had been reached with the Dominion Government;

$10,000,000 was later quoted as the amount obtained by British Columbia: $1,000,000 of this was to cover the deficit for the previous fiscal year; $750,000 was to meet old relief accounts; $3,000,000 was to cover 1934-35 relief costs; $1,000,000 was for advances to aid municipalities; $2,120,000 was to cover the deficit as shown in the current Budget; and $2,000,000 was to pick up maturing loans in August. In addition, Mr. Pattullo stated, in an interview with the Press, the Dominion Government had agreed to make a direct *per diem* contribution to the cost of Government road work. While the interest rate had not been specified, he expected it would be probably five per cent. "We are naturally going to hold down our Deficit to the smallest possible figure," he stated. "Already the revenues of the Province have shown an upward trend . . . . At the same time, expenditures will be carefully watched." (Canadian Press dispatch, May 24, 1934).

Speaking before the Victoria Chamber of Commerce on June 8, Mr. Pattullo declared emphatically that his work and wages proposal, advanced in the Election campaign, was based entirely on the use of the national credit. He also stated that he did not know whether the Special Powers Act would be invoked or not, as "conditions have very much changed." While asserting that the existing debt situation of Canada was intolerable and that circumstances would inevitably force a change, the Provincial Prime Minister declared that it would have been a grave responsibility for his Government, by forcing an immediate showdown, to have "knocked the props" from under the credit structure of Canada. (*The Vancouver Daily Province,* June 8, 1934).

A Dominion-Provincial parley, scheduled for July, was postponed until August, when the result was the securing of a loan by British Columbia of $1,000,000 at 4½ per cent. toward a programme of public works, principally road-making. The amount asked for by the Province had been $5,000,000. In addition, it was announced, the Dominion Government was extending a monthly loan to the Province for direct relief as well as making a direct monthly grant for the same purpose.

During the Summer months three Provincial financial probes were in progress: one was the study of a new basis for the Superannuation Act; another was an inquiry into a state health insurance scheme; and the third was a thorough investigation into the financial basis of Provincial education with a view to complete revision of the existing system. Another outstanding inquiry ordered by the Government was announced toward the end of the year (Nov. 29) in the appointment of a Royal Commission to make a thorough study of the coal and petroleum products industry in the Province. The setting up of the British Columbia Marketing Board took place on Aug. 22, with Eric Pepler of Victoria, B.C., as Chairman, and the formation of the British Columbia Tree Fruit Board with E. Haskins, Penticton, B.C., later on in the year.

The C.C.F. Membership of the Legislature, reduced to six by the death of H. C. E. Anderson, who had been elected in North Vancouver in November, was restored to seven on July 14, 1934, when Mrs. Dorothy Gretchen Steeves, in a four-cornered fight in the riding, was declared elected with a majority of 508. Votes polled were as follows: Mrs. Steeves, 2,797; Matheson Mackenzie (Lib.), 2,289; E. E. Leary (United Front), 150; and J. Witham (Socialist Independent), 41. Mrs. Steeves was the second woman to take a seat in the new Legislature, Mrs. H. D. Smith (Lib.) having been elected on Nov. 2, 1933. Another change in the Membership since the General Election in November (1933) was the election by acclamation of Thomas King (Lib.) on Mar. 6, 1934 during the First Session of the Eighteenth Legislature, following the enactment of legislation creating Columbia as a separate constituency.

The 1934 Session of the Legislature

The brief Speech from the Throne, read at the opening of the First Session of the Eighteenth Legislature, on Feb. 20, 1934, by the Lieutenant-Governor, the Hon. J. W. Fordham Johnson, intimated that a combined effort was being made by the Dominion and Provincial Governments to inaugurate a scheme of public works in conjunction with the giving of direct relief. Legislation forecast had to do with labour and industry, an economic council, a Municipal Department of the Government, an Administration Act, a Mortgagors' and Purchasers' Relief Act, debt refunding and exemption from taxation on a lower scale of wages and salaries. On Motion of the Prime Minister (Mr. Pattullo) the House at the end of the day's session, expressed its regret at the death of William John Bowser, and instructed that the condolence of the Members be conveyed to his family.

A highlight of the debate on the Address-in-Reply Motion, which was passed on Mar. 9, was the speech of G. G. McGeer (Lib.) advocating a national credit scheme. The Province, he declared was bankrupt. Added to a Provincial Debt of $167,000,000 was a Municipal Debt of $142,000,000, or more than $300,000,000 of interest-bearing Debt. To this remained to be added the Provincial share of the National Debt, or a gross total of close to $500,000,000 in all. Apart from his demand that the Government should arouse all Canada to the need of a national system of banking and currency to end the depression (see also under "Legislation and Incidents of the Session, this Section), Mr. McGeer urged the following sweeping reforms to make which he urged that the Government should be given complete powers: (1) codification of all British Columbia industry along the lines of the United States' NRA; (2) consolidation and revision of provincial and municipal finance, through a single taxation machinery, with the relief of land from an intolerable tax burden; (3) establishment of a single public works administration for the Province and all the municipalities in order to save enormous sums; (4) establishment of a single police system to protect all municipalities and unorganized territory; and (5) creation of one health and educational system for the whole Province, including municipalities. (*The Vancouver Daily Province,* Mar. 3).

The Public Accounts for the fiscal year ended Mar. 31, 1933, were tabled in the House on the first day of the Session (Feb. 20, 1934). The statement showed a revenue total of $20,389,951, $4,453,815 less than the Estimated Revenue of $24,843,767. Current Expenditure for 1933-34 was $23,226,329—$1,467,342 less than the Estimated Expenditure of $24,693,671.

In delivering his Budget Speech to the Legislature on Mar. 12, 1934, the Hon. John Hart, Minister of Finance, stated that the claim he had made before his Government came into power, that the Debt of the Province

including the Pacific Great Eastern Railway guarantee, was at least $165,000,000, was within nearly $2,000,000 of being correct: upon investigation, he had, he said, found that, at Nov. 15, 1933, the Funded Debt was $129,163,236; Treasury bills due the Dominion Government, $5,362,235; Treasury bills due the bank, $4,697,171; the mortgage on British Columbia House, London, $118,825; the P.G.E. Railway guarantee of stock, $20,160,000; and deficits not funded, $7,497,128—all of which made a total of $166,998,595, or "$7,497,128 greater than had been stated by the late Minister." These deficits, he said, should have been provided for by the sale of bonds, instead of which "they were carried by using funds belonging to special accounts." The Minister of Finance stated that, in order to pay off the Treasury bills due to the Dominion Government and the bank, to make good the unfunded deficits mentioned, as well as the deficit of the current fiscal year, it would be necessary to sell bonds to the amount of, approximately, $18,577,000. Such sale, he pointed out, would only liquidate the liabilities at that date (Nov. 15), and, apart from placing the Treasury on an even keel, it would leave no funds for future expenditure. The investigation showed that the Province was faced not only "with an accumulation of deficits over the last three years amounting to $14,707,199, but also with a reduced revenue, the shortage of which amounted to $792,151 for the seven months ended Oct. 31, 1933, as compared with the same period in the previous year."

Considering Assets of the Province as at Mar. 31, 1933, Mr. Hart stated that the investment on account of Sinking Funds for the redemption at maturity of stock and debentures amounted to $26,581,241; other asset items, such as buildings, wharves, bridges, highways, ferries and landings, brought the total to $120,430,557; and adding to this sum a further amount, comprising some items of doubtful value, of $65,967,086 and cash, accounts receivable, etc. of $8,869,714, a grand total of Assets was shown on the Balance Sheet of $195,267,357. Liabilities totalled $169,015,523, which left a surplus of Assets of $26,251,834.

Excepting the relief cost of single homeless fit men provided for directly by the Dominion, the total expenditure for unemployment relief within the Province up to Dec. 31, 1933, was $23,397,435.58. Of this amount the Province contributed as its own share $9,979,826.13, besides which it loaned to municipalities $948,694.21 and advanced in connection with land settlement relief $18,337.65, making the total outlay by the Province on account of unemployment relief $10,946,858.19. The Dominion's share was $9,222,300.50 and the amount spent by municipalities $3,228,276.89.

For the nine months of the current fiscal year 1933-34 (April-December), the actual Revenue collected amounted to $14,281,121 as compared with the estimated amount for the twelve months ended Mar. 31, 1934, of $20,497,591. The actual Expenditure for the nine months was $13,657,915, as compared with the estimated amount of $22,729,594 for the twelve months.

Estimates for the fiscal year ending Mar. 31, 1935, included Revenue, $19,492,791—a reduction of $1,004,800, as compared with 1933-34; and Expenditure, $21,609,637, a reduction of $1,119,956. The anticipated Deficit in Current Account was $2,116,846.

Lower income and wages were to be exempted by the Government from the one-per-cent. tax, originally imposed under the "Special Revenue Act" of 1931, and subsequently incorporated into the "Income Tax Act" of 1932. The income of single persons to the extent of $600 and that of married persons to the extent of $1,000 were to be exempt; there were to be additional exemptions for dependants, life insurance premiums, employees' contributions to superannuation funds and taxable income for charitable purposes. The meal tax was to be repealed. As the Succession Duty Act of the Province had been declared *ultra vires* of the Province and as this decision affected the Probate Duty Act in a similar way, the Minister of Finance explained that there would be introduced during the Session legislation to make both Acts *intra vires*. A Department of Municipal Affairs, to be created by legislation during the Session, would devote itself to the review

and study of the Municipal Taxation Commission's Report, and would make definite recommendations at the 1935 Session.

Concluding his Budget Address, the Minister of Finance unfolded his Government's Refunding scheme. He stated that representations had been made to the Dominion Government that they assist the Province in a refunding scheme by the guarantee of a new issue of Provincial securities at a lower rate of interest to replace outstanding bond issues; this request, had been refused, he said. "Our Government," he continued, "will use every endeavour to prevent default in the payment of interest, and for that reason recommend that further efforts be made to effect a conversion loan at lower interest rates, as has been done in other countries. All indications point to much lower rates of interest for Government bonds, and the Government are confident that they will be able to refund at least part of the Provincial Debt with considerable saving to the Treasury. . . . It is not proposed to interfere with the inscribed stock issued in London, the Sinking Funds on which have been fully kept up." The suggestion was, Mr. Hart said, to refund $124,426,-025 of the Debt, the securities to be issued for a term of 30 years at a rate of interest not to exceed 3 or 3½ per cent., sufficient Sinking Funds to be set up on them after a period of five years to liquidate the Debt at maturity.

Legislation and Incidents of the 1934 Session. The most outstanding and controversial measure of the Session and one which aroused considerable discussion outside the Legislature was Bill No. 36, "An Act to provide for the Exercise by the Lieutenant-Governor-Council of certain Powers during the Interim between the Sessions of the Legislature." Introduced by the Prime Minister (Mr. Pattullo) on Mar. 16, the measure was commonly referred to as the "Special Powers Act" both in the House and in the Press. The Bill virtually delegated all the powers of the Legislature to the Government for the period specified, in the control of business of all sorts; it over-rode all other legislation on the Statute books with regard to the matters concerned. It gave the Government power to act to the full extent to which the powers of the Legislature extended and notwithstanding any other public or private Act of the Legislature. Matters outlined in the Bill over which the Government were given complete power included: reservation, preservation, management, development, sale and disposition of natural resources; the borrowing of money on the sole credit of the Province; the lending of money to industries and municipalities; and Provincial public works and property; property and civil rights in the Province. The Government's request for these powers was part of their programme for carrying out their policy of "work and wages" concerning which Mr. Pattullo declared: "We propose to maintain the integrity of our institutions, see that none of our people are allowed to suffer for want of proper sustenance, and leave no excuse for sinister influences to sow discord in the minds of our people, and particularly having regard to the inculcation in the minds of the youth of our country ideas that are subversive of constitutional government and individual liberty and freedom." Mr. Pattullo stated that the recent Ottawa Conference had agreed, "that a works programme and co-operation with industry were essential to reduce the number then on relief. For some time the Province had been dependent upon advances from the Dominion Government to take care of unemployment. "We do not know what the ultimate policy of the Dominion Government may be and we must fortify ourselves against all contingencies," Mr. Pattullo concluded.

Protesting against certain statements made by the local Press the Prime Minister, on Mar. 23, denied in the House that he planned by the Special Powers Bill "the abrogation of constitutional guarantees in British Columbia in order to wage an incalculable battle against the Ottawa Government" as had been stated by *The Vancouver Province* in an editorial. Continuing, he said that the Government were "not out to fight Ottawa or anyone else for the sake of fighting. We want measures to take us out of the present condition. If Ottawa were to withdraw all support, what would you do then?

There is the situation we have got to meet. . . . I do not know whether the people know the situation that we are in—that we are on the brink, and don't know what is going to happen. . . . I think the papers would do well not to stir up strife at present, but to give co-operation which is very essential to assist in this emergency. They should know that there is unrest in the country designed to tie up all industry."

An Opposition effort to give the new legislation the six-months' hoist had been defeated on Mar. 20, by a vote of 32 to 13. Two days later the Bill was given second reading on a division of 31 to 12, with four Members absent from their seats when the poll was recorded. G. G. McGeer, Liberal Member for Burrard voted against the measure and Clive Planta, Independent Member for Peace River, joined the Liberals. C.C.F. and all other Independent Members voted against the Bill. A. M. Manson, Liberal and former Attorney-General, had been one of the Members to leave the House rather than vote. In the Committee stage the Bill was strenuously opposed by Opposition Members, led by Mr. McGeer, with the result that the Government introduced several Amendments; these proposals, which were incorporated, shortened the life of the legislation to the beginning of the next Session of the Legislature; restricted the penalties which might be enforced by its powers to ordinances created under the measure; and afforded some safeguards against infringement of the Constitutional Act. Third Reading was given the Bill on Mar. 28, by a vote of 34 to 13, after an Amendment of Mr. McGeer, calling for a six-months' hoist had met with defeat on a vote of 34 to 12. Members voting against the measure were as follows: H. G. E. Savage (Ind.), E. Bakewell (C.C.F.), H. C. E. Anderson (C.C.F.), R. B. Swailes (C.C.F.), E. E. Winch (Soc.), G. G. McGeer (Lib.), H. Anscomb (Ind.), R. W. Bruhn (Con.), R. H. Pooley (Con.), T. Uphill (Lab.), R. Connell (C.C.F.), H. E. Wrinch (C.C.F.) and J. Price (C.C.F.). The measure received the Royal Assent just before prorogation on the following day.

An Act passed by the Legislature during the last hours of the Session was the Natural Products Marketing Act, supplementing Dominion legislation then in progress, which provided for a Provincial marketing board of not more than three members. This board was to have power over the marketing of natural products within Provincial jurisdiction, just as the Federal marketing board would have over the marketing of products under Federal jurisdiction.

Amendments to the Revenue Act, contemplating the refunding of a large portion of the Public Debt, conveyed blanket powers to the Government for this purpose as well as for the borrowing of sums of money for actual and anticipated deficits; in the provision for the refunding of Provincial obligations when found possible, the inscribed stock in London, England, was excepted.

A new labour law endowed the Minister of Labour with wide authority to establish minimum wage schedules and maximum hours of work in all industry and authorized the setting up of an industrial relations board to administer and regulate such schedules. Another Act endorsed the creation of an advisory economic council which would be authorized to investigate and make recommendations covering practically the whole field of industrial and commercial activities in British Columbia.

Other Bills passed during the Session included the following: Amendments to the Public Schools Act, raising school grants; Amendments to the Interpretation Act, fixing Boxing Day as a public holiday; the Moving Pictures Act, unsticking appeal fees; the Conditional Sales Act, requiring registration of such sales every three years; the Jury Act, preserving the right of objection by women to jury duty; an Amendment to the First Narrows Bridge Act of 1926, amending technical rights of the private company; Amendments to the Succession Duties Act and the Probate Act, respectively, repeating, retroactively, the redefined powers of the Province to death duties on estates; Amendments to the Forest Act, recreating the Forest Protection Fund at $300,000 annually, with the right to require renewed payments from private timber holders at the rate of 2½ cents an acre, for contribution to

the fund; an Amendment to the Constitution Act, recreating the constituency of Columbia (in the By-Election in the riding Thomas King, unopposed Liberal candidate, was declared elected); an Amendment to the Administration Act, providing machinery to prolong the life of an administration to five years; the creation of a Department of Municipal Affairs; and a Mortgagors' and Purchasers' Relief Act, creating a new Mortgage adjustment scheme by which Court Registrars would act as arbitrators between mortgagors and mortgagees.

On Feb. 20 Gerald G. McGeer, K.C., moved a Resolution which passed without a vote, that the Public Accounts Committee should investigate the Federal Government's new banking legislation and the resolutions on the formation of a central bank made by the Special Commission. During the inquiry that ensued the Committee heard a lengthy review of the whole banking situation from Mr. McGeer. He envisioned a nation-wide fight, headed by the Province, to arouse all Canada to the need of adequate banking facilities under public control. He declared that the big financial interests would immediately seek and gain control of the privately-owned central bank and use it to manipulate the whole monetary and credit policy of the country for their own advantage. "They are not interested in the 6 per cent. interest allowed to the holders of the stock and bank" he said, "but in making the enormous fortunes accumulated in the past by those who enjoyed the privilege of manipulating the nation's credit. By controlling credit, such men will control the economic system. This is what gave rise to the House of Morgan and the House of Mellon and institutions of that kind in Canada and holds control over various lines of activity." Restriction of ownership of the bank's stock was termed by Mr. McGeer as "just camouflage to indicate that it is a people's bank." Actually, he claimed, a few men would control it on the investment of a mere three million which would purchase the majority of the stock. (*The Vancouver Daily Province*, Feb. 27). Mr. McGeer, in further explaining his theory on Mar. 20, stated that the United States would have to undertake soon national control and use of currency and that already the Roosevelt Administration was tending in that direction. As soon as the United States Government's "present loans to banks and industry had spent their force the United States would suffer a greater collapse than ever. The public handling of public credit would become unavoidable." The Public Accounts Committee in their Report to the Legislature on Mar. 20 endorsed Mr. McGeer's stand. They condemned the privately-owned "bankers' central bank" proposed by the Bennett Government and demanded a publicly-owned bank which would use the national credit for a gigantic recovery and employment programme.

Departmental Reports; Education

The Report of the Superintendent of Education for the school year 1933-34 stated that the enrolment of pupils decreased during the year from 116,816 to 115,792, of which number 18,932 were registered in high schools; 3,767 in superior schools; 6,265 in junior high; and 86,828 in elementary schools. The average daily attendance also decreased from 104,978 to 103,389, while the percentage of regular attendance was 89.30. Teachers employed numbered 3,873, a decrease of 86 from the previous year. The total expenditure for public schools, including the annual Government grant to the University of British Columbia, was $8,213,369, as compared with $8,941,497 in 1932-33.

A total of 1,606 students were enrolled in the regular courses of the University of British Columbia during the 1933-34 session. Those receiving degrees at the Congregations held in October, 1933, and May, 1934, numbered 371. On the latter occasion (May 10) the honorary degree of LL.D. was conferred upon the Hon. Iyemasa Tokugawa, Minister Plenipotentiary of Japan to Canada. Changes in the staff during the year included the appointment of Ira Dilworth, A.M., as Associate Professor of English to succeed Prof. F. C. Walker, A.M., PH.D. (deceased) and the retirement of E. Geoffrey Culliwick, M.A., Assistant Professor of Electrical Engineering. A substantial

bequest left to the University at this period was that of $80,000 by Dr. Alexander Stewart Monro for medical research, the amount to become available on the decease of all the beneficiaries under the will. In addition to this, the University received the second instalment of $5,000 from the Carnegie Corporation of New York for library books; the gift of $200 for the same purpose from the Summer Session Students Association; the sum of $1,416 from the Empire Marketing Board, London, England, and the National Research Council of Canada, jointly, and a further sum of $870 from the latter, for research in "Cheese-Ripening."

Public Works. With the exception of the completion of municipal works commenced under the 1931 Relief Act, the Department of Public Works, in its Report for the year ended Mar. 31, 1933, stated that no attempt had been made to carry out a relief works programme similar to that of the previous two years, a direct relief basis having been substituted in its stead. During the year, however, 309 miles of highway were constructed, of which 82 miles were trunk or main highway; 235 miles of trunk and main highway and over 308 miles of other roads received major reconstruction and improvements; 195 miles of road were gravelled and 151 miles of gravel were renewed. Good progress was reported on the Big Bend link of the Trans-Canada Highway and on the Princeton to Hope link of the Southern Trans-Provincial Highway. Two new bridges were built during the year, one over the Beatton River in the Peace River district, and one over the Nation River in the Omineca district. The Schofield Highway, the subway under the Columbia and Western Railway on the Rossland-Trail Road, which was one of the principal projects of the year, was a 20-foot, semi-circular arch tunnel, 100 feet long from portal to portal. A total of 370,073 vehicles and 1,012,318 passengers was carried on the 55 ferries maintained by the Department; the gross amount received in tolls was $53,253. Licences for public passenger vehicles issued during the calendar year 1932 numbered 218 and for public freight vehicles, 209. At Dec. 31, 1932, there were 167 passenger and 163 freight licences in force. Total expenditures of the Department of Public Works for the fiscal year amounted to $6,391,791.

Labour. In spite of the increase in employment during 1933, the total payroll of the Province, amounting to $99,126,653, showed a decrease of $3,830,421 from the previous year's figures, due to wage reductions, according to the Annual Report of the Department of Labour for 1933. The sum of $68,028,425 represented the payroll of the 3,530 firms with 71,185 employees actually reporting to the Department. At Dec. 31, 1933, the number of registered unemployed was 114,279 as compared with 98,289 in April of the same year. The monthly totals of relief recipients in 1933, including direct relief, work projects, farm placements and Provincial and National Defence camps, showed a high (March) of 128,858 and a low (December) of 88,370. The peak month of employment in 1933 (September) showed an increase of 4,857 gainfully employed over the peak month of June of the previous year. Disputes regarding wages or working conditions occurring in 1933 numbered 14 and involved 2,397 employees and a loss of 25,760 working days, as compared with 11 strikes affecting 4,136 employees with a loss of 37,740 working days in 1932. The Employment Service reported 41,318 placements during the period under review, the number of applications totalling 135,836.

Court cases conducted by the Minimum Wage Board in 1933 numbered 27, resulting in the collection of arrears of wages for women and girls amounting to $6,836, as compared with 11 cases whereby the sum of $2,841 was collected in the previous year. The average weekly wage decreased from $15.53 in 1932 for employees over 18 years to $14.87, and increased from $8.82 to $8.93 for those under 18. The average working week was 41.33 hours. By legislation enacted at the 1934 Session of the Legislature, the Minimum Wage Board was superseded by the Board of Industrial Relations, which was entrusted with the administration of the new Female and Male

Minimum Wage Acts of 1934, replacing the original Act applying only to women and girls. Members of the new Board numbered five, including one woman, whereas the former Board had only three. The personnel of the Board at December, 1934, was as follows: Adam Bell (Chairman), Fraudena Eaton, W. A. Carrothers, James Thomson, and C. J. McDowell.

The number of active firms on the records of the Workmen's Compensation Board at Dec. 31, 1933, was 7,475, as compared with 7,654 in 1932. Claims filed in 1933 numbered 18,274, a reduction of 4 per cent. from the previous year, bringing the total number of claims since the Act came into effect in 1917 to 415,537. Out of the 1933 total, 97 were fatal accidents. At the end of the year, there were 3,826 persons receiving regular monthly allowances for the 3,529 fatal and 10,143 permanently disabling accidents of the previous 17 years. Collections during 1933 amounted to $2,579,013, while the sum of $959,636 was paid out for compensation and medical aid and $1,130,923 for pensions.

During the year ended Mar. 31, 1934, the sum of $1,748,990 was paid out in old age pensions, bringing the total amount paid out since the Act became effective in 1927 to $8,051,651. Pensioners on the payroll at Mar. 31, 1934, numbered 8,061. The administration expenses were 1.1 per cent. of the total amount of pension paid during the year.

The amount expended on Mothers' Pensions Allowances for the year ended Mar. 31, 1933, was $779,640. At the end of the fiscal year there were 1,514 cases, while the number of children benefited was 3,274.

Agriculture. Higher average prices in 1933, as compared with the preceding year, for most branches of the agricultural industry of British Columbia, were recorded in the 1933 Statistical Report of the Department of Agriculture. There were, however, decreases in revenue from poultry and eggs, dairy products and fur-farming. The total gross agricultural revenue for 1933 was estimated at $36,292,077, as compared with $34,373,926 the previous year. Imports showed a decrease of $84,994, the total value being $10,286,232, of which sum foreign imports accounted for $971,867. Exports were valued at $6,436,754, an increase of $641,605 over 1932.

A lighter fruit crop was reported for 1933, but it was accompanied by higher returns for all tree fruits than in 1932. Total fruit production amounted to 246,816,000 lbs., valued at $5,964,878, a decrease in quantity of 15,270,000 lbs. from 1932, but an increase in value of $737,815. Commercial apples to the amount of 207,146,000 lbs., with a value of $4,188,311, were produced in 1933. Vegetable-crop production aggregated 65,234 tons, with a value of $1,939,380, as compared with 70,377 tons, valued at $1,893,137, produced in 1932. Market vegetables decreased in quantity by 10,866 tons, the total being 42,223 tons, valued at $1,039,952.

Dairy products in 1933 were valued at $9,375,546, as compared with $9,420,283 the previous year, the decrease being mainly due to a decline in production, prices having shown a slight improvement. Butter manufacture amounted to 5,025,539 lbs., valued at $1,158,195, and cheese production was 613,212 lbs. (an increase of 181,947 lbs., or 42 per cent.).

The total numbers and values of farm live stock in British Columbia for 1933 were as follows, with the figures for 1932 within brackets: Horses, 58,658, $3,226,000 (57,700, $3,116,000); milch cows, 116,200, $5,578,000 (115,200, $5,875,000); other cattle, 164,000, $4,592,000 (141,800, $3,829,000); total cattle, 280,200, $10,170,000 (257,000, $9,704,000); sheep, 148,600, $747,000 (151,900, $760,000); swine, 47,300, $468,000 (51,700, $414,000). Similarly, poultry statistics were: Hens and chickens, 3,001,800, $1,801,000 (3,340,800, $2,004,000); turkeys, 40,900, $78,000 (41,800, $83,000); geese, 9,900, $14,000 (9,600, $14,000); and ducks, 43,000, $34,000 (45,000, $40,000).

The total area sown to field crops in 1933 was 516,700 acres, an increase of 8,330 acres over the previous year. Wheat production was estimated at 1,317,000 bus.; oats, 4,507,000 bus.; and barley, 307,000 bus. The value of all grain crops was $2,982,000, as compared with $2,552,602 in 1932. Fodders

produced amounted to 647,000 tons, valued at $6,861,000. The potato yield was 86,400 tons, a decrease from the 1932 yield which was 114,930 tons.

A general survey of agriculture in 1934 was given by the Departmental Report issued in February, 1935. The fruit-marketing season showed a marked increase over 1933 in the volume of all commodities, particularly in rhubarb, all small fruits, apricots and peaches. The gap between supply and demand on the domestic market for the latter two fruits was stated to be rapidly closing. Returns to the grower were about the same as in 1933, the slightly lower prices prevailing being offset by lower freight and express rates and an increased volume. With the exception of swine, prices for live stock showed little improvement in 1934. Production of milk was reported to have been uniformly high in contrast with that of the previous year. Cheese manufacture also increased. During the year there were in operation 26 creameries, 3 cheese factories, two condenseries, and 14 wholesale ice-cream factories. With regard to poultry, the 1934 season was satisfactory for growing stock, but the rise in the price of feedstuffs caused a slight decrease in hatching.

Mines, Fisheries and Lands. A substantial increase in 1933 of $2,432,868, or 8.61 per cent., over the previous year in the gross mineral production of the Province amounting to $30,674,486, was reported in the Annual Report of the Minister of Mines for 1933. This was attributed to the generally higher prices prevailing for silver, copper, lead and zinc and to the materially increased production of lode and placer gold and slight increases in the production of lead and zinc. Coal production, however, showed a serious decline. The value of the metallic mineral production was $23,641,738, an increase of 21 per cent. over that of 1932. The quantities and values of mineral production in 1933 with comparative figures for 1931 were as follows:

Description	1932		1933	
	Quantity	Value	Quantity	Value
Gold, placer ..... oz.	20,400	$346,800	23,928	$406,776
Gold, lode ..... oz.	181,564	3,753,261	223,529	4,620,754
Silver ..... oz.	7,130,838	2,258,453	7,006,406	2,650,720
Copper ..... lb.	49,841,009	3,179,956	42,608,002	3,176,341
Lead ..... lb.	254,488,952	5,378,878	271,606,071	6,495,731
Zinc ..... lb.	192,120,091	4,621,641	195,963,751	6,291,416
Coal ..... tons, 2,240 lb.	1,534,975	6,523,644	1,264,746	5,375,171
Structural materials	.....	1,698,839	.....	1,024,045
Miscellaneous metals and minerals	.....	480,146	.....	633,532
Totals	.....	$28,241,618	.....	$30,674,486

The output of British Columbia fisheries in 1933 was valued at $12,001,471, as compared with $9,909,116 the previous year, according to an advance Report issued by the Dominion Bureau of Statistics. This increase was mainly in the salmon fishery which in 1933 represented 76½ per cent. of the total fishery production of the Province. The total catch of all fish for the year was 2,902,345 cwt. and the amount received by the fishermen $6,452,855, as compared with a catch of 3,474,946 cwt. with a value to fishermen of $4,731,805 in 1932. The increase in value, despite the decrease in quantity, was due to the larger proportions of the more valuable grades of salmon taken during the season and to the higher prices paid for halibut and herring. The total capital invested in the fishing industry in 1933 amounted to $19,552,762, as compared with $18,814,322 the previous year. There were 94 establishments in operation, or five more than in 1932, and total employees numbered 16,685, an increase of 1,863.

The Lands Branch of the Department of Lands reported a total revenue received during the calendar year 1933 of $201,214, of which land sales accounted for $63,304; land revenue, $95,930; the Coal and Petroleum Act, $19,311; and sundry receipts, $22,668. The total cash received for the year amounted to $302,185, as compared with $317,456 received in 1932. Crown grants issued in 1933 numbered 758 and the total acreage deeded was 58,782.

The total amount of timber scaled during 1933, as reported by the Forest Branch, was 1,898,581,064 f.b.m., an increase of 314,530,809 f.b.m. over the previous year. The estimated value of production, including loading and freight within the Province, was $39,155,000, as compared with $35,157,000 in 1932. The slight improvement in lumber trade was reflected mostly in overseas buying, particularly in the United Kingdom market. For the latter it increased from 108,314,682 f.b.m. in 1932 to 271,073,393 f.b.m. in 1933; for South Africa, from 5,664,646 to 18,213,254; for Belgium, from 79,474 to 6,140,501; and for China, from 53,341,172 to 130,596,268. Trade with the United States and the Atlantic Coast, on the other hand, decreased from 79,682,896 f.b.m. to 29,528,026 f.b.m. The total water-borne lumber trade in 1933 was 662,599,920 f.b.m., as compared with 446,889,543 f.b.m. the previous year.

Health and Vital Statistics. The Department of Health reported that there had been no serious epidemic in the Province in 1933 and that the number of cases of reportable diseases was only 10,507 as compared with 22,323 the previous year. There were 33 cases of diphtheria, of which in 1932 there had been 83 cases and in 1929, 815 cases. The increased activity in tracing up contacts of tuberculosis cases was indicated by the total of 1,063 reported in 1933, as compared with 267 in 1929.

The Vital Statistics Report for 1932 recorded 10,577 births for that year, 6,166 deaths, and 3,644 marriages. Deaths from cancer numbered 762 and from tuberculosis, 565.

There were 2,824 patients in the three medical hospitals of the Province at Mar. 31, 1933. Discharges during the fiscal year numbered 275, of whom 44 were discharged as recovered, 178 as improved, 49 unimproved and 4 not insane. The rate of discharges to admissions was 58.42 per cent. There were 195 deaths during the year. The Report of the Tranquille Sanatorium for 1932-33 urged the necessity of co-ordinating the anti-tuberculosis work in the Province by the formation of a commission or board to formulate and carry out a definite policy to deal with the problem. Of the 258 cases admitted to the Sanatorium during the year, 62 per cent. were far advanced. The daily average population was 329. The gross cost of administration was again reduced from $2.60 per patient per day the previous year to $2.42 in 1932-33, and the net cost from $1.84 to $1.32.

Department of the Attorney-General. The Game Commissioner reported an increase in the amount of royalty collected on pelts of fur-bearing animals during 1933, the total being $39,592, as compared with $36,254 the previous year. Increases in numbers were recorded for the following pelts: silver fox, from 917 in 1932 to 2,174 in 1933; lynx, from 1,273 to 2,064; marten, from 8,750 to 11,433; and mink, from 12,977 to 17,066. Beaver pelts showed a decrease from 12,624 to 11,741 (due to small demand); muskrats, from 100,509 to 91,230; racoon, from 3,555 to 2,891; weasel, from 48,357 to 43,321; and bear, from 592 to 281. There was considerable mortality from disease among coast deer during 1933 and the stock of pheasant was reported seriously affected by the cold winters of the previous two years combined with very poor breeding seasons. It was stated that the apparently steady rise in prices of furs augured a successful trapping season for 1934. The total revenue derived from the sale of game licences, fees and furs in 1933 was $135,877 as compared with $141,269 the previous year. Revenue from the fur trade was $44,167.

Total sales of $9,262,102 reported by the Liquor Control Board for the year ended Mar. 31, 1934, showed an increase of 7.6 per cent. ($654,785) over the previous period. There was a considerable increase in the sale of bottled beer, mainly due to the reduction in price. The sale of British Columbia wines amounting to $112,384, showed an increase of 43 per cent. over 1932-33 and of British Empire wines, amounting to $20,994, an increase of 21 per cent. The total paid in duty, excise and sales tax to the Federal Government for the period under review was $1,754,386. Individual liquor

permits sold numbered 163,293, as compared with 26,450 in 1932-33, but revenue from that source, totalling $43,948, decreased from the previous year by $52,913 or 54.8 per cent., owing to the reduction in the permit fee from $2 to 25 cents, which became effective Apr. 18, 1933. There were 430 licences issued.

The total number of cases prosecuted by the Provincial Police Force during 1933 was 5,409, an increase of 408 over 1932. Of these, 4,751 cases resulted in convictions, 630 were dismissed or withdrawn and 28 awaited trial. The largest increase was in "Railway Act" cases which in 1933 numbered 1,161 as against 375 the previous year. Prosecutions under the Indian Act and Government Liquor Act also showed slight increases. Decreases, however, were recorded for the majority of offences. Motor-vehicle licences issued during the calendar year 1933 numbered 85,976 as compared with 89,658 during 1932. The gross revenue collected by the Motor Vehicle Branch for the fiscal year, Jan. 1, 1933, to Feb. 28, 1934, amounted to $1,947,568, a decrease of $24,036 from the amount collected during the calendar year 1932. Convictions under the Motor Vehicle Act in 1933 numbered 3,450 as compared with 2,930 the previous year.

It was suggested by the Deputy Minister of Municipal Affairs in his Report for the calendar year 1933 that an independent board should be constituted with authority to make certain adjustments, with a view to distributing the tax burdens fairly and equitably and to avoiding, if possible, some at least of the reversions of land to the municipalities. Total arrears of taxes in cities, districts and villages amounted to $11,105,492, as compared with the previous year's total of $8,581,605; taxes levied totalled $19,681,459; receipts from all forms of taxation, $27,036,443; and expenditures, $28,624,754.

The Province of British Columbia

(As at Dec. 31, 1934)

Lieutenant-Governor ..... The Hon. J. W. Fordham Johnson

The Pattullo Ministry (Liberal)

Prime Minister, President of the Executive Council, and Minister of Railways ..... The Hon. T. D. Pattullo
Provincial Secretary and Minister of Education ..... The Hon. G. M. Weir, M.A., D.PÆD.
Attorney-General ..... The Hon. G. McG. Sloan, K.C.
Minister of Finance and Minister of Industries ..... The Hon. John Hart
Minister of Lands and Minister of Municipal Affairs ... The Hon. A. W. Gray
Minister of Mines, Minister of Labour and Commissioner of Fisheries ..... The Hon. G. S. Pearson
Minister of Agriculture ..... The Hon. K. C. McDonald, D.D.S.
Minister of Public Works ..... The Hon. F. M. MacPherson

Speaker of the Legislative Assembly ..... The Hon. H. G. T. Perry

Heads of the Administrative Services

Deputy Provincial Secretary ..... P. Walker
Deputy Attorney-General ..... Col. Eric Pepler
Deputy Minister of Lands ..... H. Cathcart
Deputy Minister of Finance ..... H. N. Wright
Deputy Minister of Agriculture ..... J. B. Munro, B.S.A.
Deputy Minister of Mines ..... Robert Dunn
Deputy Minister and Chief Engineer of Public Works ... A. Dixon
Deputy Minister and Chief Engineer of Railways ..... G. P. Napier
Deputy Minister of Labour ..... Adam Bell
Deputy Minister of Industries ..... A. V. Hamilton
Deputy Minister and Superintendent of Education ..... S. J. Willis, LL.D.
Deputy Minister of Industries ..... E. G. Rowebottom
Assistant to the Commissioner of Fisheries ..... D. J. Alexander
Comptroller-General ..... J. A. Craig

STATISTICAL SURVEY, 1934

By

R. H. Coats, LL.D., F.R.S.C., F.S.S., (Hon.)

The trend towards economic recovery which set in after February, 1933, was continued with almost unbroken progress throughout 1934. As summing up the extent of this progress, it may be pointed out that the business index of the Dominion Bureau of Statistics, a composite of 45 leading business factors, which stood at 72.6 in December, 1932, rose to 86.2 in 1933, and was 92.4 at the end of 1934 (1926=100).

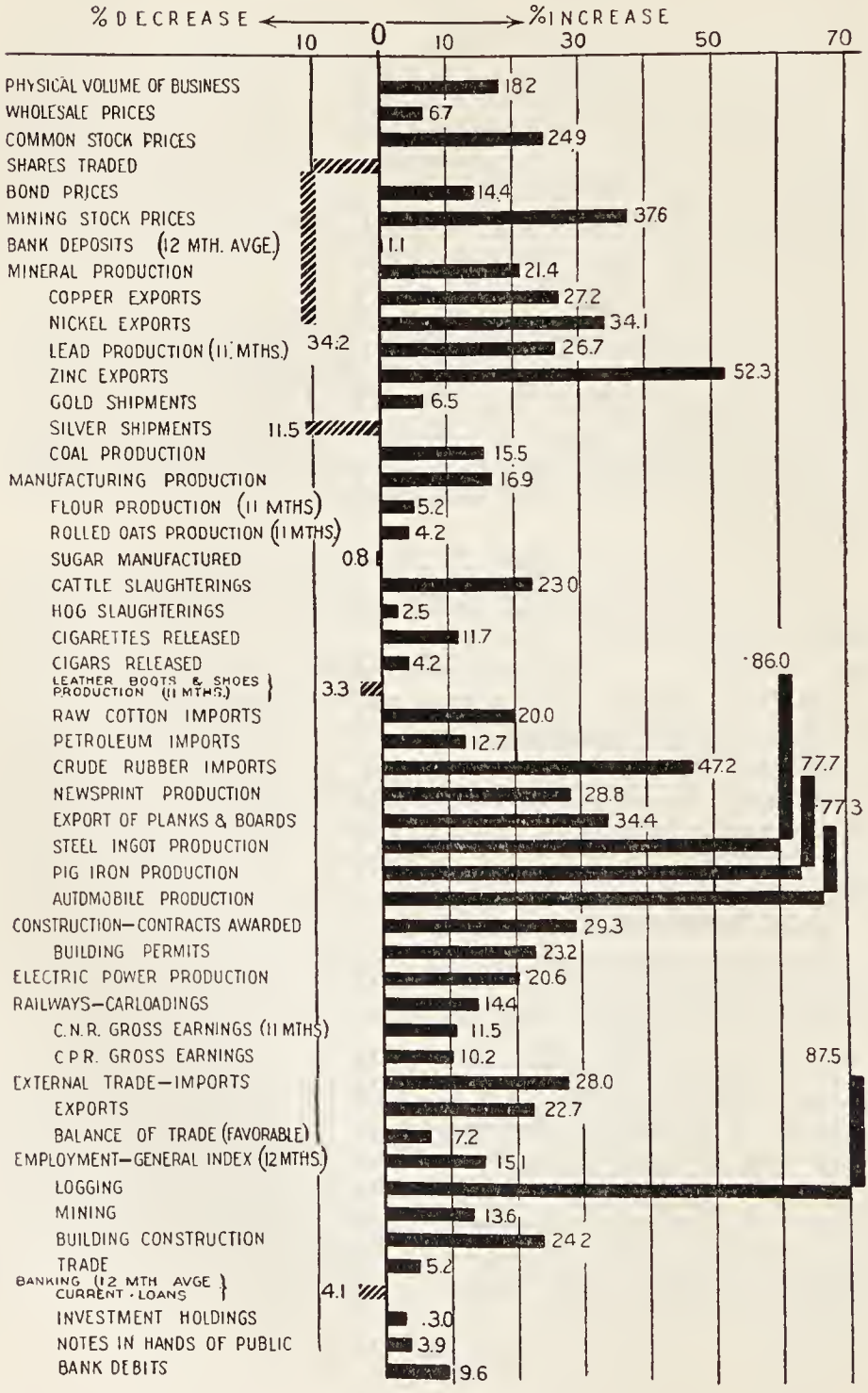
The charts and tables of statistical data presented herewith are designed to facilitate study of this development in detail. Table I. shows the main statistics for 1933 as a whole compared with the two preceding calendar years. Table II. includes the more important records of economic progress from month to month throughout 1933 and 1934, thus showing the seasonal character of the trend in each branch.

Three charts are added to the tabular matter. In the first is shown the extent of the increase or decrease for some 40 economic factors during 1934 as compared with 1933; as will be noted, all these indexes show an increase (some very material) with the exception of four, and in three of the latter the decreases are slight. In the second chart is illustrated from 1926, (1) the physical volume of business; (2) the prices of common stocks (indicative of speculative activity); and (3) the trend of the bond market as measuring the volume of investment necessary to ensure a fixed return—in other words, the true rate of long-term interest. In the third chart, the comparative volume of employment over the preceding six years is shown, unemployment being the most distressing form in which the depression manifested itself. As will be seen, the number employed throughout 1934 was conspicuously above that of both 1932 and 1933; for the year, as a whole, the increase was over 15 per cent.

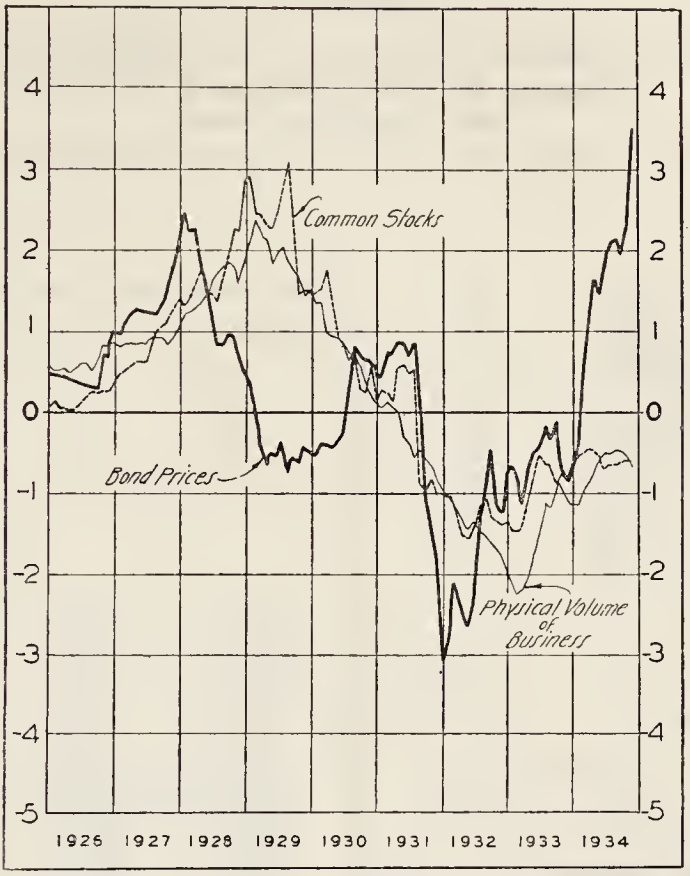
Outstanding among the improvements of the year were: an increase of $113,000,000 in the value of field crops; under forestry, a rise of 34 per cent. in the exports of planks and boards, and of 29 per cent. in newsprint production; in mining, a gain of probably 20 per cent.; while in electric power the output exceeded all previous records. The rise in carloadings, bank debits and external trade, the increased scale of construction operations, and the highest bond prices ever obtained, were all of especially good augury at the end of the year.

THE ECONOMIC SITUATION OF CANADA

STATISTICS FOR THE YEAR 1934 COMPARED WITH 1933

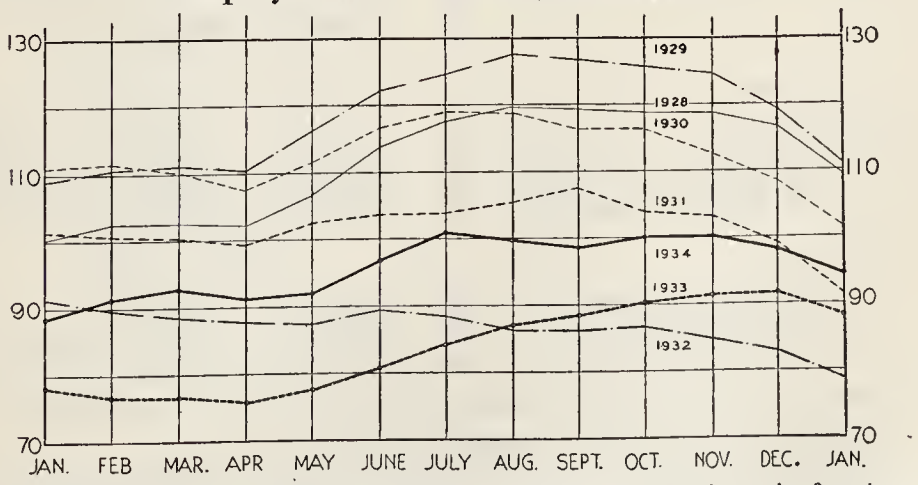


Fundamental Economic Conditions in Canada, 1926-1934



NOTE.—The above chart illustrates the trend of (1) speculation (prices of common stocks), (2) the physical volume of business, and (3) the credit situation as reflected by the amount of investment in standard bonds necessary to secure a fixed income. The lines are expressed in multiples of a standard deviation from a common average, so that the degree of deviation from month to month is strictly comparable.

Employment in Canada, 1928-1934



NOTE.—The curve is based upon the number of employees at work on the first day of the month as indicated by the firms reporting, in comparison with the average employment they afforded during the calendar year 1926 as 100.

TABLE I.

Statistical Summary of Economic and Social Conditions in Canada in 1933, Compared with the Two Preceding Years

Items	1931	1932	1933
I. POPULATION:	(000 omitted)	(000 omitted)	(000 omitted)
Immigration ..... No.	28	21	14
Emigration to U.S.[1] ..... No.	9	7	7
Births[2] ..... No.	240	236	223
Deaths[2] ..... No.	105	104	102
Total Population[3] (Estimated) ..... No.	10,377[4]	10,506	10,681
II. PRODUCTION:			
1. Agriculture:[5]			
Wheat ..... Bu.	321,325	443,061	269,729
$	123,550	154,760	122,864
Oats ..... Bu.	328,278	391,561	307,478
$	77,970	75,988	75,389
Barley ..... Bu.	67,382	80,773	63,359
$	17,465	18,855	16,520
Total Field Crops ..... Ac.	58,075	59,643	58,533
$	432,199	452,527	422,148
Live Stock: on Farms ..... $	467,676	375,722	403,135
Marketed ..... $	96,778	65,185	89,063
Butter (creamery) ..... Lb.	225,955	214,002	217,405
$	50,198	40,475	42,741
Cheese (factory) ..... Lb.	113,956	120,524	110,099
$	12,824	11,380	10,173
Total Dairy Production ..... $	191,389	159,074	167,488
Total Agricultural Revenue .... $	836,114	766,794	762,302
2. Furs ..... $	11,803	10,189	10,305
3. Fisheries:			
Salmon ..... $	7,972	8,038	9,758
Cod ..... $	2,827	2,194	2,599
Lobster ..... $	5,037	4,745	3,524
Total Fisheries Products ..... $	30,517	25,957	27,558
4. Forestry:			
Forestry Operations ..... $	141,124	92,106	.....
Net Sawmill Products ..... $	25,390	15,101	.....
Net Pulpmill Products ..... $	34,136	26,195	28,250

[1] Statistics of U.S. Bureau of Immigration
[2] Registration area all Canada exclusive of Yukon and N.W. Territories.
[3] 1934 estimate: 10,835.
[4] Census, June 1, 1931.
[5] 1934 figures available as follows: Wheat, bu., 275,849,000; oats, bu., 321,120,000; barley, bu., 63,747,000; total acreage field crops, 56,040,420.

STATISTICAL SUMMARY—Continued

ITEMS	1931	1932	1933
II. PRODUCTION—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
5. MINERALS:			
METALS:			
Gold ..... Oz.	2,694	3,044	2,949
$	55,688	62,933	60,968
Premium on gold produced... $	2,406	8,546	23,383
Silver ..... Oz.	20,562	18,348	15,188
$	6,142	5,811	5,746
Lead ..... Lb.	267,342	255,947	266,475
$	7,260	5,410	6,373
Zinc ..... Lb.	237,245	172,284	199.132
$	6,059	4,144	6,393
Nickel ..... Lb.	65,666	30,328	83,265
$	15,267	7,180	20,130
Copper ..... Lb.	292,304	247,679	299,982
$	24,114	15,294	21,635
NON-METALS:			
Coal ..... Ton	12,243	11,739	11,903
$	41,207	37,118	35,924
Natural Gas...M. cu. ft.....	25,875	23,420	23,138
Asbestos ..... Ton	164	123	158
$	4,813	3,040	5,211
Structural Materials and Clay Products..... $	44,148	22,398	16,697
Total Mineral Production..... $	230,435	191,228	221,495
6. MANUFACTURES:			
Vegetable Products ..... $	535,079	436,736	408,000
Animal Products ..... $	320,803	262,794	222,000
Textile Products ..... $	317,159	274,412	290,000
Wood and Paper ..... $	484,238	369,602	340,000
Iron and Its Products ..... $	374,725	225,832	213,826[1]
Non-Ferrous Metals and Products ..... $	211,862	152,111	167,105[1]
Non-Metallic Mineral Products ..... $	181,432	147,766	141,755[1]
Chemical and Allied Products ..... $	105,502	95,279	92,087[1]
Miscellaneous Industries ..... $	45,350	33,243	28,000
Central Electric Stations..... $	122,311	128,420	.....
Total Manufactures ..... $	2,698,462	2,126,195	1,903,000[2]
Total Employees Monthly Average ..... No.	557	495	.....
Total Salaries and Wages..... $	624,546	505,883	.....
Significant Items:			
Cen. Elec. Stations[3] ..... K.W.H.	16,330,867	16,052,057	17,338,990
Pig Iron (production) Long Ton	420	144	227

[1] Preliminary.
[2] Exclusive of Central Electric Stations.
[3] 1934 preliminary figure, 21,000,000.

STATISTICAL SUMMARY—Continued

ITEMS	1931	1932	1933
II. PRODUCTION—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
6. MANUFACTURES—*Continued*			
Steel Ingots and Castings (production) .....Long Ton	672	339	408
Flour (production) .....Bbl.	14,888	14,465	14,847
Newsprint (production).....Ton	2,227	1,919	2,017
Sugar (raw, imports).....Lb.	798,360	674,635	486,962
Rubber (crude, imports).....Lb.	56,583	46,854	43,283
Cotton (raw, imports).....Lb.	94,922	97,355	119,698
Petroleum (crude, imports) .....Gal.	1,017,388	889,839	954,392
7. CONSTRUCTION:			
Building Permits (61 Cities) .....$	112,223	42,319	21,776
Contracts Awarded .....$	315,482	132,872	97,290
III. EXTERNAL TRADE:	1931-32	1932-33	1933-34
1. EXPORTS:	(000 omitted)	(000 omitted)	(000 omitted)
Total—Domestic .....$	576,344	473,800	579,343
Foreign .....$	11,222	6,914	6,311
(*a*) *Component Material Classification (domestic only)*:			
Vegetable Products .....$	204,398	203,370	205,805
Animal Products .....$	68,799	54,333	75,151
Textiles .....$	5,512	4,731	7,829
Wood and Paper .....$	175,740	120,887	143,142
Iron and Its Products.....$	15,463	17,277	26,641
Non-Ferrous Metal Products .....$	69,073	42,642	81,764
Non-Metallic Minerals .....$	13,457	9,216	14,809
Chemicals .....$	10,535	11,100	13,844
All other .....$	13,367	10,244	10,358
(*b*) *Purpose Classification*:			
Food .....$	210,028	211,747	238,005
Clothing .....$	5,280	3,938	5,684
Industrial Equipment .....$	2,274	3,237	3,557
(*c*) *Degree of Manufacture*:			
Raw Materials .....$	226,178	204,377	211,470
Partly Manufactured .....$	86,661	66,694	124,143
Fully or Chiefly Manufactured .....$	263,505	202,729	243,730
2. IMPORTS:			
Total Merchandise .....$	578,504	406,384	433,799
(*a*) *Component Material Classification*:			
Vegetable Products .....$	128,599	88,289	90,829
Animal Products .....$	24,563	15,439	19,842
Textiles .....$	83,879	61,214	79,372
Wood and Paper .....$	32,030	20,506	19,358
Iron and Its Products .....$	98,298	58,918	69,127

STATISTICAL SUMMARY—Continued

ITEMS	1931-32	1932-33	1933-34
III. EXTERNAL TRADE—*Cont.*			
2. IMPORTS—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
Non-Ferrous Metal Products ....$	34,802	18,095	20,171
Non-Metallic Minerals ....$	102,147	87,658	83,397
Chemicals ....$	30,731	25,455	25,584
All other ....$	43,453	30,809	26,119
(*b*) *Purpose Classification*:			
Food ....$	74,278	53,514	48,217
Clothing ....$	13,535	8,011	7,698
Industrial Equipment ....$	29,333	17,851	18,292
(*c*) *Degree of Manufacture*:			
Raw Materials ....$	145,603	118,730	130,518
Partly Manufactured ....$	48,395	32,501	38,536
Fully or Chiefly Manufactured ....$	384,508	252,153	264,744
IV. INTERNAL TRADE:			
1. TOTAL WHEAT RECEIPTS AT Fort William & Port Arthur (crop years) ....Bu.	149,857	193,241	143,691
	1931	1932	1933
2. INSPECTED SLAUGHTERINGS:			
Cattle and Calves....Head	963	937	1,092
Swine ....Head	2,243	2,723	2,802
Sheep ....Head	821	788	869
3. COLD STORAGE HOLDINGS AS OF JAN. 1ST:			
Butter[1] ....Lb.	22,171	24,385	21,689
4. LOADED AT STATIONS IN CANADA:			
Agricultural or Vegetable Products ....Ton	14,995	16,006	13,486
Animal Products ....Ton	1,102	967	1,030
Mine Products ....Ton	16,099	12,312	12,037
Forest Products ....Ton	7,014	5,061	5,536
Manufactures ....Ton	12,525	9,468	9,025
Total ....Ton	51,735	43,814	41,114
V. PRICES:			
1. WHOLESALE PRICES INDEXES: (1913=100)	Index No. (1913=100)	Index No. (1913=100)	Index No. (1913=100)
(*a*) *Component Material Classification*:			
Vegetable Products	98.0	94.4	102.1
Animal Products	104.3	84.2	83.8
Textiles	126.1	119.7	119.7
Wood and Paper	123 8	108.1	98.3
Iron and Its Products	126.8	125.2	123.9
Non-Ferrous Metal Products....	65.6	59.9	65.3
Non-Metallic Minerals	152.3	150.6	148.6
Chemicals	136.8	132 4	128.3
General Index	112.6	104.2	104.8
(*b*) *Purpose Classification*:			
Food, Beverages and Tobacco...	114 0	99 6	103.3
Clothing	121.5	117.2	116.1
Producers' Equipment	163 4	161 0	156.1

[1] 1934 figure: 22,027 lb. of butter.

STATISTICAL SUMMARY—Continued

Items	1931	1932	1933
V. PRICES—*Continued*	Index No. (1913=100)	Index No. (1913=100)	Index No. (1913=100)
(c) *Classified by Degree of Manufacture*:			
Raw Materials	97.0	86.2	88.7
Manufactured Articles	115.4	107.7	108.3
2. Retail Prices and Cost of Living	137.1	124 5	118.9
3. Security Prices:			
Common Stocks, Index Number (General)	127.3	83.1	102.5
4. Freight Rates:			
Railway, per ton mile Cts.	1.013	.937	.955
North American Shipping Rates 1893-1913=100	90.4	85.8	78.9
VI. TRANSPORTATION AND COMMUNICATION:	(000 omitted)	(000 omitted)	(000 omitted)
1. Railways:			
Gross Revenues $	358,549	293,390	270,278
Gross Operating Expenses $	321,026	256,668	233,133
Revenue Freight, 1,000,000 Ton Miles	25,706	23,137	21,093
Passengers Carried No.	26,551	21,100	19,172
2. Electric Railways:			
Gross Revenues $	49,088	43,339	39,383
Operating Expenses $	35,367	31,517	27,917
Passengers Carried No.	720,468	642,831	585,385
3. Motor Vehicles:			
Registrations No.	1,201	1,115	1,082
4. Canals:			
Freight Ton	16,189	17,961	18,780
5. Shipping:			
Reg. Net Tonnage Entered[1]	92,969	87,132	79,734
Reg. Net Tonnage Cleared[1]	92,618	86,529	79,615
6. Telegraphs:			
Land Messages sent No.	13,200	10,519	10,135
Revenue $	11,642	9,381	9,268
7. Telephones No.	1,364	1,261	
8. Post Office Revenue $	30,416	32,477[1]	30,825[1]
Money Orders Issued $	167,750	132,625[1]	107,767[1]
VII. LABOUR:			
1. Employment Indexes: (Average Calendar Year, 1926=100)	Index No.	Index No.	Index No.
General Index	102.5	87.5	83.4
Manufacturing	95.3	84.4	80.9
Logging	60.1	42.6	66.5
Mining	107.7	99.2	97.5
Transportation	95.8	84.7	79.0
Construction and Maintenance	131.4	86.0	74.6
Trade	123 6	116.1	112.1

[1] Year ended March 31.

STATISTICAL SUMMARY—Continued

Items	1931	1932	1933
VII. LABOUR—*Continued*			
2. Unemployment in Trade Unions ..... p.c.	Index No. 16.8	Index No. 22.0	Index No. 22.3
3. Employment Service Statistics:	(000 omitted)	(000 omitted)	(000 omitted)
Applications ..... No.	826	652	674
Vacancies ..... No.	486	366	370
Placements ..... No.	472	352	352
4. Wages Indexes: (1913=100)	Index No.	Index No.	Index No.
General Index	191.8[1]	181.4[1]	172.6
Building Trades	195.7	178.2	158.0
Metal Trades	182.9	174.7	169.2
Printing Trades	205.1	194.2	184.3
Steam Railways	199.2[2]	183.9	179.7
Electric Railways	198.6[1]	191.1[1]	182.7
Coal Mining	169.4	164.0	161.9
Logging and Sawmilling	163.0	141.3	121.7
5. Strikes and Lockouts:			
Disputes in Existence..... No.	88	116	125
	(000 omitted)	(000 omitted)	(000 omitted)
Employees Affected ..... No.	11	23	27
Time lost in Working Days.. No.	204	255	318
VIII. FINANCE:			
1. Dominion:[5]			
Ordinary Revenue ..... $	349,587	329,709	306,637
Ordinary Expenditure ..... $	389,558	375,403	358,528
Total Disbursements ..... $	440,009	450,956	531,761
Gross Debts ..... $	2,610,266	2,831,744	3,065,049
Active Assets ..... $	348,654	455,897	468,568
Net Debt ..... $	2,261,612	2,375,846	2,596,481
2. Provincial:			
Ordinary Revenue ..... $	179,143	168,228	158,872[3]
Ordinary Expenditure ..... $	190,754	183,667	173,293[3]
3. Currency: (12 month averages)			
Dominion Notes in Circulation ..... $	153,079	165,879	179,217
Metallic Reserve ..... $	74,210	66,854	69,794
Bank Notes in Circulation..... $	141,969	132,166	130,362
4. Chartered Banks:			
Assets ..... $	3,066,018	2,869,430	2,831,394
Liabilities (excluding Capital and Reserve)..... $	2,741,554	2,546,150	2,517,934
Demand Deposits ..... $	578,604	486,271	488,528
Notice Deposits ..... $	1,437,977	1,376,325	1,378,498
Other Current Loans in Canada ..... $	1,123,601	1,032,081	906,478
5. Fire Insurance:[4]			
Amount at Risk, Dec. 31..... $	10,885,826	10,585,808	10,202,772
Premium Income for Year..... $	57,528	52,568	46,879

[1] Revised. [2] Including 10 per cent. decrease for certain classes towards the end of the year.
[3] Subject to revision. [4] Dominion Companies alone ($000 omitted):

	1931	1932	1933
Amount at Risk, Dec. 31.....	9,544,641	9,301,748	9,012,845
Premium Income for Year.....	50,343	46,912	41,552

[5] 1934 statistics in the same order are: $324,062; $346,649; $457,969; $3,213,129; $483,151; and $2,729,978.

STATISTICAL SUMMARY—Continued

Items	1931	1932	1933
VIII. FINANCE—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
6. Life Insurance:			
Amount at Risk, Dec. 31.....$	7,008,117	6,825,638	6,589,134
Premium Income for Year.....$	234,375	224,596	214,853
IX. GENERAL BUSINESS:			
1. Bank Clearings .....$	16,827,603	12,916,265	14,720,611
2. Bank Debits .....$	31,586,468	25,844,288	29,981,465
3. Bankruptcies (Dun) .....No.	2 52	2.90	2.34
Liabilities (Dun) .....$	51,914	55,976	29,251
4. Net Sales of Life Insurance:[1]	782,716	653,249	578,586
5. Stock Exchange Transactions:			
Montreal .....No. of Shares	5,309	2,905	7,640
Toronto (General) No. of Shares	1,210	744	10,676

[1] Dominion Companies only.

TABLE II.

Statistics Illustrating the Social and Economic Trend, in Canada during 1933 and 1934

1. Population

Population estimated June 1st, 1933—10,681,000
" " " " 1934—10,835,000[1]

Month	Immigration	Emigration to United States[2]	Returned Canadians from the United States	Live Births[3]	Deaths[3]
1933	No.	No.	No.	No.	No.
Jan.....	700		807	18,728	10,552
Feb.....	909		668	17,703	8,726
Mar.....	1,126	1,704[4]	784	20,437	9,226
Apr.....	1,427		1,011	19,951	8,727
May.....	1,474		1,104	20,125	8,752
June.....	1,424		1,203	18,662	8,223
July.....	1,370		1,150	19,070	7,432
Aug.....	1,247		1,087	18,647	7,626
Sept.....	1,438		870	17,863	7,795
Oct.....	1,390		566	17,138	8,217
Nov.....	1,096		489	16,986	8,063
Dec.....	781		470	17,558	8,629
Total	14,382	.....	10,209	222,868	101,968
1934					
Jan.....	669	.....	365	18,220	9,071
Feb.....	637	.....	377	17,077	8,254
Mar.....	950	.....	480	19,156	9,278
Apr.....	1,203	.....	518	18,622	8,851
May.....	1,308	.....	582	19,029	8,990
June.....	1,280	.....	580	18,038	7,537
July.....	1,236	.....	626	18,806	7,589
Aug.....	1,157	.....	1,059	18,569	7,825
Sept.....	1,288	.....	580	18,431	7,789
Oct.....	1,113	.....	825	.....	.....
Nov.....	967	.....	655	.....	.....
Dec.....	668	.....	625	.....	.....
Total	12,476	.....	7,272	165,948 (9 mos.)	75,184 (9 mos.)

[1] Preliminary. [2] U.S. figures of immigrants from Canada.
[3] Preliminary for 1934; exclusive of Yukon and the Northwest Territories.
[4] Figures by months no longer available from the U.S.

2. Productive Activity

Month	Production of Pig Iron	Production of Steel Ingots and Castings	Production of Coal	Contracts Awarded	Building Permits
1933	Long Tons	Long Tons	000 Short Tons	$000	$000
Jan.	29,209	40,766	1,039	3,362	1,186
Feb.	6,144	12,374	1,050	3,149	926
Mar.	.....	11,212	825	3,192	954
Apr.	.....	11,384	670	8,609	1,596
May	.....	23,126	678	6,514	2,065
June	857	31,602	699	8,086	3,589
July	31,689	49,076	675	12,652	2,180
Aug.	35,233	48,659	895	9,480	1,911
Sept.	30,738	38,630	1,141	8,387	1,987
Oct.	27,002	48,496	1,579	15,014	1,775
Nov.	29,592	43,099	1,347	10,637	1,624
Dec.	36,853	51,555	1,305	8,208	1,983
Total	227,317	409,979	11,903	97,290	21,776
1934					
Jan.	30,677	60,787	1,291	6,703	693
Feb.	12,199	57,999	1,010	5,635	881
Mar.	12,101	72,923	1,031	7,518	1,089
Apr.	27,355	70,363	814	11,469	2,246
May	38,189	71,437	1,005	17,383	2,942
June	37,306	64,013	983	12,209	2,364
July	36,759	66,647	990	11,191	3,219
Aug.	41,485	63,504	1,094	13,544	3,274
Sept.	43,019	57,489	1,297	12,494	2,248
Oct.	46,573	57,975	1,551	11,153	2,722
Nov.	38,968	57,050	1,409	10,452	2,601
Dec.	42,364	58,532	1,277	13,985	2,496
Total				125,812	26,828

3. Salient Statistics of Six Important Industries

Month	Flour Production	Sugar Manufactured[1]	Raw Rubber Imports	Raw Cotton Imports	Newsprint Production	Crude Petroleum Imports
1933	000 Bbl.	000 Lb.	000 Lb.	000 Lb.	Short Ton	000 Gal.
Jan.	859	27,303	2,663	8,765	139,359	35,085
Feb.	845	20,347	2,632	6,026	125,437	37,556
Mar.	1,005	55,432	2,496	6,374	136,786	49,336
Apr.	1,013	46,455	1,245	4,050	147,372	36,187
May	1,334	41,167	3,817	8,111	170,690	83,981
June	1,186	89,254	3,228	7,440	173,386	121,121
July	1,323	57,332	2,670	9,790	182,531	118,271
Aug.	1,444	88,089	4,022	10,584	196,603	116,312
Sept.	1,393	60,378	5,869	7,409	180,747	108,097
Oct.	1,651	87,617	5,780	12,287	193,936	91,714
Nov.	1,967	112,533	4,892	19,058	194,853	91,761
Dec.	1,827	139,001	3,972	19,803	175,042	64,970
Total	14,847	881,878	43,282	119,697	2,016,742	954,392
1934						
Jan.	1,043	22,657	3,854	8,499	188,374	57,603
Feb.	1,102	19,845	4,153	11,109	174,447	44,369
Mar.	1,064	21,360	7,640	14,346	210,129	73,444
Apr.	1,089	43,305	5,418	9,376	216,507	38,983
May	1,175	41,631	4,968	15,987	242,539	98,880
June	1,127	84,064	4,947	13,415	229,637	114,880
July	1,073	83,544	5,443	8,281	208,258	116,883
Aug.	1,282	95,042	4,363	8,535	216,164	129,613
Sept.	1,383	88,679	6,206	7,669	196,172	118,211
Oct.	1,654	86,934	6,817	9,179	235,021	110,638
Nov.	1,704	126,422	3,512	18,479	240,869	124,044
Dec.	969	105,306	6,381	18,800	239,830	47,613
Total			63,701	143,675	2,597,947	1,075,162

[1] Sugar statistics are given in thirteen periods of four weeks each, the quantity manufactured during the period ended December 31, 1933, being 56,968,394 pounds.

4. Trade Statistics

Month	Imports	Exports (Domestic)	Cold Storage Stocks		Wheat Receipts Ft. William & Pt. Arthur
			Eggs[3]	Butter[4]	
1933	$000	$000	000 Dozen	000 Lb.	000 Bu.
Jan.	24,441	31,562	1,258	21,619	1,412
Feb.	23,514	26,398	433	16,510	1,781
Mar.	32,963	36,579	87	9,711[1]	7,742
Apr.	20,457	20,012	278	3,531[1]	9,089
May	32,927	45,576	4,041	1,965[1]	10,650
June	33,619	45,968	11,507	5,352[1]	29,979
July	35,698	51,345	13,842	20,263[1]	15,543
Aug.	38,747	44,723	14,222	34,320[1]	15,501
Sept.	38,698	57,785	14,598	42,019[1]	23,902
Oct.	41,070	60,489	13,211	40,461[1]	25,843
Nov.	43,712	60,384	9,130	37,544[1]	12,656
Dec.	35,368	50,929	4,200	29,088[1]	3,965
Total	401,214	531,749			
1934					
Jan.	32,391	46,652	1,247	21,776	2,141
Feb.	33,592	37,842	116	14,634	3,748
Mar.	47,519	57,638	14	7,410[2]	3,324
Apr.	34,814	31,582	138	3,803[2]	3,594
May	52,887	57,900	3,105	2,511[2]	19,617
June	46,186	58,046	9,949	7,064[2]	10,674
July	44,145	56,121	13,041	24,780[2]	18,627
Aug.	43,507	55,249	13,771	42,326[2]	11,198
Sept.	42,208	58,135	14,758	50,847[2]	30,155
Oct.	47,229	67,748	14,205	53,264[2]	22,056
Nov.	49,884	65,125	10,592	49,417[2]	16,203
Dec.	39,109	60,850	6,041	41,614[2]	5,957

[1] Includes Creameries with mechanical refrigeration added to list Mar. 1.
[2] Including Creameries with ice storages as well as those with mechanical refrigeration.
[3] Cold storage. [4] Creamery.

5. Transportation

Month	Railways				Canal Traffic[2]
	Gross Operating Revenues[1]	Net Operating Revenues[1]	Car Loadings	Freight Carried One Mile (Revenue Freight)	
1933	$000	$000	000 cars	000,000	000 tons
Jan.	17,643	885 Dr.	134.4	1,388	.....
Feb.	16,788	1,093 Dr.	133.2	1,302	.....
Mar.	20,612	1,451	157.4	1,712	.....
Apr.	19,530	1,458	138.5	1,413	1,063
May	21,447	2,148	161.4	1,530	2,337
June	24,310	3,965	176.0	2,133	2,664
July	23,713	3,004	162.7	1,735	2,336
Aug.	23,730	2,586	185.6	1,752	2,544
Sept.	25,872	6,043	202.5	2,103	2,897
Oct.	27,239	7,557	221.6	2,442	2,680
Nov.	24,176	5,936	201.4	2,011	2,131
Dec.	22,749	4,409	157.6	1,537	138
1934					
Jan.	21,011	1,066	176.5	1,682	.....
Feb.	20,627	1,026	164.1	1,629	.....
Mar.	24,657	4,026	189.2	1,986	.....
Apr.	23,395	3,907	177.2	1,869	309
May	26,069	4,829	194.1	1,873	2,479
June	24,436	3,672	193.4	1,721	2,466
July	25,206	3,140	187.9	1,879	2,609
Aug.	25,201	2,255	204.6	1,751	2,436
Sept.	27,605	5,917	212.2	2,366	2,367
Oct.	29,150	7,697	242.9	2,561	2,681
Nov.	25,702	5,786	211.1	2,226	2,474
Dec.	.....	.....	171.6	.....	249

[1] Of Railways with annual revenues of $500,000 or over.
[2] Through Canadian locks only.

6. Prices

Month	General Wholesale Prices	Producers' Goods	Consumers' Goods	Materials Raw	Manufactured Goods	Family Budget (Weekly)
1933	1913=100	1913=100	1913=100	1913=100	1913=100	$
Jan.	99.7	85.7	112.6	80.2	103.7	15.89
Feb.	99.2	86.2	111.0	79.3	103.1	15.61
Mar.	100.4	88.2	111.9	81.6	104.6	15.59
Apr.	102.0	89.0	113.4	83.1	107.4	15.74
May	104.2	93.7	114.3	87.8	108.6	15.57
June	105.4	95.8	113.7	90.3	108.3	15.41
July	110.1	102.6	116.6	98.6	111.7	15.48
Aug.	108.6	99.1	116.4	95.4	110.6	15.96
Sept.	107.6	97.3	117.4	93.9	110.3	15.78
Oct.	106.1	94.0	116.4	90.1	109.9	15.78
Nov.	107.6	95.4	117.9	92.9	110.6	15.72
Dec.	107.8	95.4	118.4	92.3	111.1	15.83
Average	104.8	93.6	114.8	88.7	108.3	15.70
1934[1]						
Jan.	110.3	97.7	119.8	95.6	112.6	15.95
Feb.	112.6	99.2	122.6	98.6	115.0	16.09
Mar.	112.5	99.2	122.4	97.3	115.7	16.51
Apr.	111.1	98.8	120.0	96.1	113.9	16.28
May	111.1	99.7	118.4	97.5	112.2	15.96
June	112.6	102.3	120.0	101.1	112.8	15.78
July	112.5	102.8	119.3	101.4	112.9	15.84
Aug.	112.9	104.0	119.3	102.2	113.6	15.92
Sept.	112.5	102.3	119.7	101.2	113.9	15.87
Oct.	111.5	100.7	119.2	100.9	112.6	15.96
Nov.	111.2	101.0	118.4	100 8	112.0	16.03
Dec.	111.2	101.4	118.2	100.8	112.2	16.02

[1] 1934 figures subject to revision.

7. Labour

Month	Index of Employment	Unemployment in Trade Unions	Employment Office Statistics		Strikes and Lockouts[1]	
			Vacancies[2]	Regular Placements[2]	Disputes in Existence	Time Loss in Working Days
1933						
Jan.	78.5	25.5	28,602	12,456	8	5,936
Feb.	77.0	24.3	23,714	8,771	5	58,500
Mar.	76.9	25.1	22,613	10,233	10	12,945
Apr.	76.0	24.5	24,652	12,946	5	4,435
May	77.6	23.8	32,693	13,770	16	11,927
June	80.7	21.8	31,706	16,146	14	34,834
July	84.5	21.2	28,630	15,189	8	13,775
Aug.	87.1	19.9	32,323	18,434	17	18,762
Sept.	88.5	19.8	29,935	15,746	23	39,194
Oct.	90.4	19.8	33,659	15,700	14	19,203
Nov.	91.3	20.4	41,475	16,842	20	49,543
Dec.	91.8	21.0	39,638	14,343	16	55,477
1934						
Jan.	88.6	21.2	37,856	17,292	22	47,944
Feb.	91.4	20.0	29,972	13,163	21	30,690
Mar.	92.7	19.5	32,607	15,339	32	91,332
Apr.	91.3	19.1	32,287	14,961	21	78,128
May	92.0	18.5	43,338	23,492	32	36,846
June	96.6	18.0	45,529	26,151	24	34,483
July	101.0	17.9	35,621	19,400	33	65,064
Aug.	99.9	16.5	34,304	19,815	29	84,682
Sept.	98.8	16.4	32,350	19,117	19	65,277
Oct.	100.0	16.2	35,954	20,858	16	52,011
Nov.	100.2	17.5	35,809	19,363	13	17,182
Dec.	98.9	18.0	32,165	30,513	8	3,523

[1] 1933 and 1934 figures preliminary.
[2] The vacancies include casual vacancies (for employment for seven days or less); the regular placements do not include placements on any such orders.

8. General Business

Month	Bankruptcies	Defaulted Liabilities	Sales of Life Insurance	Bank Clearings	Bank Debits
1933	No.	$000	$000	$000,000	$000,000
Jan.	216	4,050	30,918	978	1,969
Feb.	214	3,947	28,533	882	1,830
Mar.	192	3,381	31,804	946	1,887
Apr.	184	3,022	31,502	950	1,877
May	175	2,617	32,647	1,293	2,650
June	158	2,339	34,933	1,430	2,982
July	142	2,289	32,748	1,792	3,528
Aug.	150	2,358	30,657	1,365	2,649
Sept.	155	2,345	28,088	1,232	2,457
Oct.	144	2,322	34,302	1,331	2,823
Nov.	155	1,940	36,768	1,365	2,837
Dec.	159	2,345	41,127	1,158	2,492
Total	2,044	32,954	394,027	14,721	29,981
1934					
Jan.	153	2,009	27,726	1,256	2,597
Feb.	140	2,039	29,268	1,020	2,089
Mar.	140	2,057	32,764	1,197	2,489
Apr.	141	2,009	33,013	1,203	2,536
May	132	2,482	32,970	1,536	3,129
June	115	2,421	32,055	1,328	2,602
July	122	1,808	33,538	1,382	2,767
Aug.	103	1,361	26,359	1,291	2,533
Sept.	113	1,628	25,833	1,302	2,581
Oct.	130	2,141	31,074	1,541	3,410
Nov.	119	2,105	35,530	1,432	3,092
Dec.	116	1,538	37,353	1,475	3,040
Total	1,524	23,598	377,483	15,964	32,867

9. Currency and Banking

Month	Notes in Hands of Public[1]	Gold held by Finance Dept. against Notes in circulation	Demand Deposits	Notice Deposits	Current Loans	New York Funds in Montreal
1933	$000,000	$000,000	$000,000	$000,000	$000,000	$
Jan.	134.0	70.9	446.0	1,383	946	1.143
Feb.	138.9	70.3	445.9	1,397	924	1.197
Mar.	151.7	69.6	453.6	1,389	925	1.199
Apr.	153.2	69.6	484.2	1,400	913	1.179
May	149.0	69.6	498.9	1,397	897	1.141
June	158.9	69.3	535.0	1,387	900	1.112
July	149.5	69.6	501.3	1,380	889	1.058
Aug.	149.7	69.6	483.8	1,373	885	1.061
Sept.	160.1	69.6	491.8	1,372	905	1.036
Oct.	151.4	70 0	520.9	1,350	912	1.024
Nov.	149.3	69.8	499.1	1,358	884	0.990
Dec.	151.0	69.7	501.9	1,357	898	0.995
Average	149.8	69.8	488.5	1,378	906	1.096
1934						
Jan.	141.2	69.6	475.8	1,351	879	1.005
Feb.	145.6	69.2	487.4	1,355	869	1.008
Mar.	158.8	69.4	470.2	1,367	875	1.002
Apr.	150.1	69.6	510.2	1,376	877	.998
May	147.7	69.5	532.5	1,368	875	.998
June	160 6	70.7	485.9	1,365	862	.992
July	151.6	70.9	504.3	1,360	851	.988
Aug.	162 0	70 1	498.7	1,367	853	.977
Sept.	168.6	70.1	523 2	1,377	880	.971
Oct.	161.4	70.6	542.4	1,370	896	.979
Nov.	163.3	71.4	561.7	1,411	872	.976
Dec.	157.3	71.7	575.5	1,407	839	.988
Average	155.7	70.2	514.0	1,373	869	.990

[1] Dominion and Bank Notes.

10. Investment and Speculation

Month	Index of Industrial Stocks[1]	Index of Bond Yields	Shares Sold on Montreal Exchange	Call Loans in Canada	Bank Holdings of Bonds and Stocks	Interest Rates N.Y. Call Loans	Interest Rates N.Y. Prime Com. Paper 4-6 Months
1933	1926=100	1926=100	No.	$000,000	$000,000	P.C.	P.C.
Jan.....	60.7	99.2	201,133	100.0	784.2	1.00	1.38
Feb.....	58.0	98.7	281,197	97.2	797.5	1.00	1.38
Mar.....	59.1	100.0	207,529	96.1	792.8	3.32	3.00
Apr.....	69.7	101.3	486,726	94.1	805.9	1.37	2.63
May.....	88.6	98.1	1,083,485	93.8	836.2	1.00	2.13
June.....	107.1	97.1	1,570,805	101.5	860.2	1.00	1.75
July.....	122.3	96.7	1,852,002	108.7	865.9	1.00	1.50
Aug.....	117.2	95.0	414,966	105.0	866.1	.98	1.50
Sept.....	119.1	95.8	433,747	110.0	881.0	.75	1.38
Oct.....	103.6	94.6	399,022	110.8	881.7	.75	1.25
Nov.....	113.4	97.3	370,525	105.3	861.4	.75	1.25
Dec.....	111.4	98.5	338,570	106.0	861.0	.94	1.38
Average	94.2	97.7	636,642	102.4	841.2	1.16	1.71
1934							
Jan.....	118.6	97.2	722,150	103.7	831.6	1.00	1.38
Feb.....	123.8	96.0	681,466	101.5	833.0	1.00	1.38
Mar.....	128.5	90.1	549,182	103.1	834.6	1.00	1.13
Apr.....	133.0	87.7	444,367	100.5	837.4	1.00	1.13
May.....	128.0	84.8	313,343	103.4	830.1	1.00	1.00
June.....	126.1	85.4	244,643	98.8	837.1	1.00	.88
July.....	116.6	83.1	237,972	94.5	850.3	1.00	.88
Aug.....	120.1	82.3	279,144	99.6	861.9	1.00	.88
Sept.....	118.8	82.0	185,206	101.5	887.9	1.00	.88
Oct.....	122.0	82.9	255,545	108.4	910.6	1.00	.88
Nov.....	125.3	81.0	385,780	98.5	919.6	1.00	.88
Dec.....	125.6	76.2	317,322	102.7	966.5		
Average	123.9	85.7	384,677	101.3	866.7		

[1] In 1933, 93 industrial stocks and in 1934, 87 industrial stocks.

FINANCE AND INSURANCE

By

Harvey H. Black, M.A.

The General Financial Situation During 1934

The creation of the Bank of Canada, which brought the Dominion into the circle of the great central banking systems of the world, holds the major place in Canadian financial affairs of 1934. Closely following in importance, and not without association, is the substantial progress made in the movement, begun in the latter part of 1932 and continuing throughout 1933, towards a reduction in the "cost" of money—to governments, municipalities and corporations—and a correspondingly higher price for high-grade securities bearing fixed rates of interest and lower yields for purchasing investors as well as a lower return to "savings" depositors, in commercial banks and trust and loan companies. This latter phase of Canadian finance, linked closely with easy credit conditions, gave every indication of extending its influence on a still broader scale during the year 1935.

The establishment of the Bank of Canada—the mechanism of which is dealt with elsewhere in this Section and also in the Section entitled "Federal Administration and Politics"—has been described as a "copestone," set upon the top of the existing structure of the Canadian banking system. Such a policy for Canada had been recommended late in 1933 by a Royal Commission appointed to consider the banking problem of Canada. In the face, however, of a united Government front and agreement as to the principle by a great majority of Members of Parliament, the proposal had met with strong opposition from many leading Canadian bankers, who had urged the proven adequacy of the existing system. In the end, when the Government held firm to their purpose, the banking opposition was withdrawn and full co-operation guaranteed. In his address as President of the Canadian Bankers' Association (November, 1934) Jackson Dodds, General Manager of the Bank of Montreal, made the following statement: "Bankers are realists: they are ready to make the best possible use of the materials at their hands, and when the central bank is established the Government and the people of this country can rest assured that the bankers of Canada will unanimously do their utmost to co-operate with the Bank of Canada in the interests of the country at large." Mr. Dodds, however, also took occasion to refer to the inauguration of the new institution as "destined to make a sharp break in the evolution of the Canadian banking system as brought about by the bankers of the day during the last 100 years." The advocacy of the central bank idea, he went on, "resulted in the Canadian public forgetting

the record of Canadian banks in the past four or five years, when they withstood the shock of depression with such admirable firmness, as contrasted with the unprecedented upset in banking service and stability experienced in the great country to the South of us, with its Federal Reserve banking system functioning under central bank principles."

Closely related aspects of the situation were presented by the Federal Minister of Finance, the Hon. E. N. Rhodes, in an address (delivered over the radio) to the Young Men's Canadian Club, Montreal, on Dec. 30, 1934. The creation of the Bank of Canada, he declared, was one of two "major" Government policies of the year (the other was the Farmers' Creditors Arrangement Act). The main function of the new Bank, he pointed out, "will be the regulation of credit and currency in the best interests of the economic life of the nation, in so far as it may be within its capacity to do so. It will also be concerned with the value of the Canadian dollar in terms of the currencies of other countries." He added that the Bank, as fiscal agent of the Dominion Government, "will be the avenue for obtaining skilled and impartial advice upon monetary and financial matters;" and, referring to the existing Canadian banks, "our chartered banks in the operation of their commercial banking functions have served Canadian industry and the Canadian public well, and no small part of the credit for the manner in which we have come through the trying days of the depression is due to the sound policies and inherent strength of the Canadian banking system."

Repeatedly, as plans for the new institution were being worked out, intimations were issued from Ottawa that the public must not expect "too much" from it. Speaking before a banquet of the Dominion Association of Chartered Accountants, held in Montreal on Sept. 7, 1934, the Deputy Minister of Finance, Dr. W. C. Clark, declared that "if the Bank of Canada is to be a real success there must be a well-informed and intelligent public opinion on monetary and banking matters that will allow the Bank to play the rôle that it is designed to play, and will not expect it to end the depression overnight or to work miracles." In dealing with the purpose of the Bank, he pointed out that, in the past, Canada had depended on "pacific" legislative measures and the unco-ordinated action of competing private institutions as a means of regulating her currency and credit system. The chief purpose of the central bank was to vitalize into active operation the principle of control, both in regard to the issue of paper money and in the creation of deposit credits. By control over the total volume of circulating *media* of exchange, the Bank of Canada, he held, should be an important factor in influencing, not only the general level of prices, but also the general *"tempo"* of business activity in Canada.

A very definite advance was made in Canada in 1934 in carrying out the essence of a resolution passed without dissent at the Imperial Economic Conference of 1932, approving of a policy of

stimulating low rates of interest and an abundance of short-term money as a course best calculated to assist in the revival of industry and trade. Great Britain had taken a definite step towards this end late in June, 1932, and Canada followed more gradually, but steadfastly, in the ensuing period. The reduction in interest rates, more particularly in 1934, was manifest in a number of directions. The chartered banks on Sept. 1, 1934, brought into effect a further reduction of interest rates on savings deposits—from 2½ to 2 per cent., following upon a reduction in 1933 from 3 to 2½ per cent. The saving to the banks under a tentative agreement was distributed largely in reductions of interest charges to governments and municipalities, as well as to agricultural and commercial borrowers. Trust companies, which handled deposits in the two years, reduced interest rates from 4 to 2½ per cent., the last cut going into effect on Jan. 1, 1935. Not only was the rate of interest charged to governments by the banks becoming lower, but in a much wider field a saving in interest charges developed steadily—in the financing of the requirements of these various groups through issues of bonds. For, steadily, from July, 1932, on through the years 1933 and 1934, prices of bonds continued to rise and the yields to decline. Maturities of Provinces, municipalities and, to a limited extent, of corporations were replaced by bonds bearing a lower coupon rate and a reduced interest cost. The Dominion of Canada, in its "refunding" and "conversion" operations developed an accumulated saving of interest charges between 1930 and 1934, inclusive, of $14,615,847—according to an estimate of the Minister of Finance. This saving was effected through refunding of $1,138,486,000 of the national debt at savings of as high as 3½ per cent. in some cases, as the following record shows:

Year	Medium	Redeemed	Drop in Interest	Yearly Saving
1930	New York Loan	$25,000,000	5 to 4.38%	$155,000
1931	Conversion Loans	647,030,300	5½, 5 to 4.50%	6,254,674
1932	4 per cent. Loan	35,799,950	5½ to 4%	385,059
1933	Refunding Loan	169,900,000	5½ to 4%	2,367,344
1934	New York Loan	40,000,000	4 to 2%	800,000
1934	Refunding Loan	222,216,850	5½ to 2—3½%	4,655,770

No better illustration could be provided of the decline in interest rates than a comparison of the yields provided in the four main operations carried on by the Dominion of Canada from 1931 to 1934, inclusive, through public issues of bonds. In 1931 a yield of over 5 per cent. had to be given investors; by 1934 the highest yield was 3.81 per cent., with some money secured at as low as 2.57 per cent. There was evident, also, in 1934 a change in the bulk of the market made available for government issues from the "middle term" (10 to 15 years) of 1933, to the short terms of 1934, the latter absorbed chiefly by the banks. The picture of lower yields is shown in the accompanying table. The maturities in 1931 had been 5 years and 10 years; in 1932, 2, 6 and 12 years; and, in 1934, 2, 5, 8 and 15 years—and the 5 per cent. coupon rate of 1931 had fallen to 4 per cent. in 1932 and 1933, and to 2, 2½, 3 and a high of 3½ per cent., respectively, in 1934.

Dominion Government	1931	1932	1933	1934
Issue No. 1	5.17%	4.28%	3.75%	2.57%
" No. 2	5.13%	4.50%	4.19%	2.90%
" No. 3	....	....	4.38%	3.43%
" No. 4	....	....	....	3.81%

In line with the decline in interest rates and its relation to an easier credit situation, a few examples will make clear the extent of the supplementary movement, namely, the advance in the price of bonds which automatically reduces the yield basis and enables new financing to be done on a lower cost. Dominion of Canada 4 per cent. bonds, due in 1945, opened the year 1934 at 95¼, rose to 100⅝ by April, to 101½ by July, to 104¾ by Dec. 1, and closed the year at 106¾ for a gain of 11½ points. This increase in the price was shared by a large number of Dominion of Canada issues and also by the Dominion-guaranteed bonds of the Canadian National Railways. Another Dominion issue, the 4½s due in 1944, opened the year at 99⅜ and closed at 110¾, an advance of 11⅜ points, while the 5s of 1941, opening at 102⅜, closed at 112¾ for a net gain of 10⅜ points. C.N.R. 4½s of 1951, opening at 101¼, closed at 113, for a net gain of 11¾ points. Very sharp increases were also shown by the stronger Provincial issues, and the better type of municipals. One or two examples of these will serve: the Province of Alberta 6s of 1947, opening the year at 96, closed at 107, gaining 11 points, and Quebec Province 4½s of 1963, opening at 99½, closed at 113, for an advance of 13½ points. So far as the influence on corporation financing was concerned, probably the best example is that of Dominion Textile Company which was able to arrange for the calling in advance of maturity of a 6 per cent. issue, replacing it by one bearing only 4½ per cent. The indications, as the year 1935 opened, were that many corporations would take advantage of similar situations. During the year 1934 Gatineau Power 5s of 1956 opened at 77¼ and closed at 97½ for a gain of 20¼ points; Calgary Power 5s of 1960 rose 14 points, from 86 to 100; Bell Telephone 5s of 1955 were up from 102 to 108¾; British Columbia Power 5½s of 1960, from 90 to 101; Canada Northern Power 5s of 1953, from 80 to 97¼; Canadian Pacific Railway 5s of 1954, from 77½ to 101, up 23½ points, and so on.

In an article in the Annual Statistical and Review Number of *The Monetary Times*, Toronto (issue of Jan. 12, 1935) J. Courtland Elliott dealt with the "easy money" policy as it developed in Canada during 1934—the increase in the Dominion Note issue and the rise in currency circulation and bank credit. In June, 1934, an Amendment to the Dominion Notes Act had permitted an increase of some $52,500,000 in the fiduciary issue of Dominion Notes. Since that time, month by month, up to Nov. 30, 1934, additional Dominion Notes had been issued, serving to augment the cash reserves of the banking system. Between May 31 and Nov. 30, the increase had amounted to $49,128,857, the issue under the Dominion Notes Act having gone up from $106.7 millions at May 31, to $155.8 millions at Nov. 30. The total Note issue had grown in the same period from $171.1 millions to $218.7 millions. Mr. Elliott pointed out,

however, that of this "net" increase of $47,628,858, less than 5 per cent. had gone into circulation because of replacement of bank notes and better business. Of this, 95 per cent. had "reposed in bank vaults as an addition to reserves." He proceeded to point out that the volume of bank credit, including circulating currency and bank deposits, had increased between November, 1933, and November, 1934, from $2,074.6 millions to $2,198.6 millions. After pointing out that the volume of bank credit was over $80,000,000 higher towards the end of 1934 than one year previous, he added that it was characteristic of the initial phase of business recovery that "new commercial loans are seldom in excess of repayments, and the trend of loans continues down."

In dealing with the Dominion Note circulation as at Dec. 31, 1934, *Financial Counsel* pointed out that this might be regarded as a moderate inflation and that the total of $217,034,337 represented an increase of $34,390,000 over the corresponding date in 1933 with the ratio of gold to Notes amounting to 33.0 per cent., as compared with 38.1 per cent. one year earlier. The extent of inflation in Canada for the purpose of stimulating the business recovery through easing the credit situation might be considered as limited to the increase in the Note issue for the year as given above. In 1932, there had been an increase in Dominion Notes of $35,000,000 through what might be regarded as an enforced borrowing by the banks under the Finance Act. This amount, however, as was shown by results towards the end of 1934, did not turn out to be a net increase but merely a redistribution over all the chartered banks in relation to their paid-up capital, of an amount that the banks previously had borrowed without relation to capital, and with certain banks not participating.

Another phase of the movement to facilitate credits was the action of the Department of Finance at Ottawa of offering, by public tender, Dominion Treasury Bills of maturities ranging from 3 months up, but under one year. The offerings in detail, and the steady decline in the yield basis and, therefore, the "cost" of the new money, are dealt with elsewhere in this Section. It was evident that the expansion of the use of this form of short-term financing anticipated an even broader use under the Bank of Canada, and—it was assumed in some quarters—possibly the first step towards the establishment of a "money market" in Canada.

The year 1934, so far as most departments of economic activity in Canada were concerned, registered a distinct advance over 1933, which had shown in some respects with 1932 the low point of the business depression. In general, as a representative list elsewhere in this Section, of Canadian corporation results will show, the volume of business and earnings registered substantial gains. A few examples of the upward trend in the economic sphere must serve at this point. For the entire year 1934, Canada's exports were up over $122,000,000, from $537,783,439 to $659,903,020. Total imports increased $112,000,000, from $401,214,311 to $513,469,497—total trade in merchandise amounting to $1,173,372,517 as compared with $938,997,750

for 1933. A feature of the improvement lay in a gain of nearly $60,000,000 in exports to the United Kingdom and one of $16,000,000 in imports. On the other hand, the disturbed condition of the world in general interfered seriously with exports to other than English-speaking countries. In agriculture, a preliminary estimate of the value of Canadian field crops amounted to $536,498,600, a gain of almost $113,000,000 or 27 per cent. above 1933, and the largest total in four years; newsprint production showed an increase in 1934 of 582,288 tons, or 28.9 per cent. over 1933, to 2,599,292 tons, a total only once before exceeded, in the year 1929; mining production showed a very sharp gain; production of electric power in the first ten months surpassed all previous records; the physical volume of manufacturing in the first 10 months was up 19.6 per cent., with pig iron and steel ingot production more than double; construction showed a fair gain; gross earnings of the Canadian National Railways rose over $16,000,000 or 11 per cent., and those of the Canadian Pacific $11,273,000 or 10 per cent. Dominion of Canada revenue was up $28,160,000 or 13 per cent. in the first eight months of the fiscal year; reported employment gained 15.9 per cent., and wholesale prices showed a slight increase.

"Reluctant" World Recovery in 1934. The examples given already as to various phases of economic recovery in Canada during the latter part of 1933 and throughout 1934, and comparative figures prepared by the League of Nations indicate that the measure of "recovery" in Canada stood high in the world list. In many directions, however, of trade and finance (including lower volume and little net advance in the stock markets) progress in Canada was held back by unsettled and unfavourable international factors. In dealing with this subject *The Economist* of London, England (Dec. 29, 1934) referred to the general situation in 1934 as one of "reluctant recovery." At the end of 1933, it declared, Great Britain, in company with most countries of the world, "was experiencing a definite and substantial recovery from the depths of the great depression and the momentum of the upswing continued well into 1934. But by the early Summer the rate of recovery had slowed down, and for the greater part of the year we have been doing not much more than holding the ground that has been gained." The review continued: "The trouble with the world is that the price level is low because of the absence of demand. Almost nothing has been done the world over to remove restrictions on trade, to lower tariffs, to encourage investment, or to revive confidence. In short, the world has swung back from the excesses of the depression—but it cannot yet be said that either monetary or trade policies have provided the conditions in which a new expansion of world trade can take place."

"World Recovery Continues in Face of Shrinking International Trade" was the heading of an article in *The Annalist,* New York (Jan. 18, 1935). "World industrial production," this declared, "outside of Russia and the United States, attained to within 10 per cent.

(at 92.2 per cent.) of the 1928 level (a gain of more than 30 per cent. from the July, 1932, depression low of 70.8), while the excessive stocks of basic commodities that have burdened the agricultural and raw-material-producing countries enjoyed further if moderate reduction." International trade, on the other hand, "failed to show improvement in the first half of the year, and in the second sank lower." The relative position of the "gold bloc" (countries like France, Holland, Italy, etc.), was much less favourable than the others. "The deflationary effects of the struggle of the group (gold) to avoid devaluation (it is stated) are reflected not only in the retrogression of industrial activity and the steadily downward trend of their price level but also in the fall in foreign trade."

The preliminary estimate of the League of Nations in regard to "world foreign trade in merchandise" appears to indicate an actual decline in Canada's total (imports and exports) in contrast to figures appearing elsewhere in this volume indicative of a sharp increase for 1934 over 1933, with totals for 1934 well in excess of $1,000,000,000. The League of Nations figures showed Canada's total trade (1934) at only $694,000,000, and down $14,000,000 or 2.3 per cent. from 1933. The explanation lies in the basis of figuring, which in the case of a League figures is "old gold dollars," for every country, including Canada. This is worked out on a basis of its own currency—Canada's being, like that of the United States and Sterling, at a discount of about 40 per cent. from the old par of gold—or the French franc. The record (League of Nations) works out thus for some of the chief countries:

(Millions of Gold Dollars)	(a)1934	1933	1932	1931	1930	1929
CANADA	694	710	886	1,231	1,913	2,524
Balance	82+	134+	188—	15+	103—	74—
Percentage of Exports to Imports	126.8	146.5	122.1	102.5	89.8	94.3
UNITED KINGDOM	3,284	3,286	3,555	5,355	7,436	8,956
Balance	896—	860—	997—	1,813—	1,880—	1,858—
Percentage of Exports to Imports	57.1	58.5	56.2	49.4	59.6	65.6
UNITED STATES	2,231	2,392	2,901	4,466	6,895	9,496
Balance	323+	168+	251+	290+	667+	818+
Percentage of Exports to Imports	133.9	115.1	118.0	113.9	121.4	118.9
FRANCE	1,644	1,841	1,945	2,847	3,737	4,247
Balance	242—	393—	397—	461—	379—	317—
Percentage of Exports to Imports	74.3	64.8	66.1	72.1	81.6	86.1
GERMANY	2,048	2,151	2,471	3,888	5,343	6,415
Balance	36—	159+	255+	684+	391+	9+
Percentage of Exports to Imports	96.5	116.0	123.0	142.7	115.8	100.3
U.S.S.R. (b)	356	443	650	986	1,078	935
Balance	98+	79+	70—	152—	12—	29+
Percentage of Exports to Imports	176.0	143.4	80.6	73.3	97.8	106.4
WORLD	22,431	24,179	26,898	39,726	55,582	68,641

(a) Preliminary. (b) Union of Socialist Soviet Republics.
NOTE.—(+) Indicates excess of exports over imports; (—) indicates excess of imports over exports.

That the sharp upward movement in bonds in Canada was typical of all the important money markets may be illustrated by the Actuaries' Investment Index (London); long-term British Government bonds rose from 124.8 in December, 1933, (100 being index of prices at Dec. 31, 1928) to 137.8 in December, 1934, while yields declined from 3.45 per cent. to 3.13 per cent. in the same period. The indifferent action of Canadian stocks in 1934 finds a parallel in the Actuaries' Index (based on 144 securities) which rose 3.7 points,

from 69.6 to 73.3, in the first two and a half months of 1934, and in the remaining months of the year rose only 0.6 points, to 73.9 (The Canadian Investors' Index Number rose from 83.8 in January to 87.9 in December, 1934).

Another phase of the year 1934 was the comparative stability of Exchange as between the pound sterling, the United States dollar and the Canadian dollar. The following table (Canadian Bank of Commerce) covers high and low records of the three currencies, and those of the recognized "par" of the gold standard, the French franc, month by month, the quotations being on a basis of "demand in Toronto":

	January		February		March		April	
	High	Low	High	Low	High	Low	High	Low
Sterling	514.91	500.34	516.26	495.12	514.84	508.32	518.68	511.77
U. S. Dollar	1¼P	½D	1 9/16 P	9/16 P	9/16 P	1/32 D	⅛D	1 1/16 D
French franc	6.37	6.12	6.62	6.27	6.62	6.57	6.66	6.59
	May		June		July		August	
	High	Low	High	Low	High	Low	High	Low
Sterling	511.43	504.92	505.20	496.48	501.31	495.00	497.57	488.52
U. S. Dollar	3/16 D	5/16 D	9/32 D	1 13/16 D	29/32 D	1 13/16 D	1 5/8 D	3 1/16 D
French franc	6.63	6.58	6.59	6.51	6.54	6.49	6.55	6.49
	September		October		November		December	
	High	Low	High	Low	High	Low	High	Low
Sterling	488.51	480.62	488.65	480.54	488.60	485.53	489.77	484.36
U. S. Dollar	2 3/16 D	3 9/16 D	1 27/32 D	2 3/16 D	2 3/16 D	2¾D	2 3/16 D	31/32 D
French franc	6.57	6.45	6.55	6.45	6.45	6.42	6.55	6.44

Canada's Balance of International Payments, 1934. A preliminary statement covering the year 1934 (Dominion Bureau of Statistics) reported that, exclusive of movement of capital, exports (visible and invisible) amounted to $1,023,500,000, with imports (visible and invisible) amounting to $954,750,000, leaving net credit of $68,750,000. Commodity trade showed a credit for Canada of $145,000,000, with exports of $645,000,000 against imports of $500,000,000. Exports of gold coin and bullion amounted to $95,000,000 with imports of $800,000, a net credit of $94,200,000. Tourist expenditures for 1934 were estimated to show a favourable balance of $84,000,000 as against $60,000,000 in 1933, the expenditures in Canada being set down at $138,000,000. Interest payments and receipts of $60,000,000 were offset by $290,000,000, leaving a net debit for Canada on this account of $230,000,000. Freight payments and receipts showed a net debit of $21,000,000—$47,000,000 as against $68,000,000. The movement of capital was estimated as follows: sale and purchase of securities, credit, $350,000,000 and debit, $300,000,000, leaving a net credit of $50,000,000; maturities, a debit of $75,000,000; direct investments, a credit of $5,000,000. These three items showed total credits of $355,000,000 and debits of $375,000,000. Hence a balancing item, net outflow of capital funds, set down at $20,000,000. Deducting this $20,000,000 from the credit of $68,750,000 shown in items other than capital, left an amount of credits of $48,750,000 unaccounted for. This, the Report stated, "cannot presently be traced and is attributed to errors and omissions." In connection with the movement of capital the Report read: "It is estimated that the sale and purchase of securities between Canada and outside countries attained a figure of

$650,000,000. Other countries purchased Canadian securities to the extent of $350,000,000 (including $54,730,346 new issues floated in Great Britain) but Canadians purchased securities abroad (including repurchase of Canadian securities) to the extent of $300,000,000. In addition to these considerable transactions, Canadian corporations and Governments retired $75,000,000 of bonds which were held abroad and which had reached maturity. Direct investments by outside countries in Canada are estimated at $5,000,000. On balance, therefore, Canada exported capital to the amount of some $20,-000,000."

Bank of Canada. The organization of the Bank of Canada was the direct result of the Report of the Royal Commission on Banking appointed in 1933, with Lord Macmillan as Chairman, and the other members consisting of Sir Charles Addis, the Hon. J. E. Brownlee, Sir Thomas White and Mr. Beaudry Leman. A recommendation to this effect was supported by the first three mentioned, but opposed by Sir Thomas White and Mr. Leman as inadvisable. Indications immediately were given at Ottawa, on the receipt of the Report, that a measure would be brought before the 1934 Session of Parliament to implement the recommendation, and this was done. At first the general understanding was that the Governor would be chosen from outside of Canada but finally it was declared that a Canadian would be placed in charge with a Deputy Governor, presumably an expert in central bank operations, selected from the staff of the Bank of England. The main discussion in Parliament centred around the question as to the control of the bank, whether this should be vested in the Government or the shares be held by the public at large. The Bill itself adopted the latter method. The Act incorporating the Bank of Canada was passed finally by the House of Commons on June 28, 1934. This called for the establishment of "a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the Dominion" (see "Federal Administration and Politics" also).

Business and Powers. The Bank was to act as fiscal agent of the Government of Canada without charge, and by agreement might act as banker or fiscal agent of the Government of any Province. It was given power to buy and sell gold, silver, nickel and bronze coin and gold and silver bullion. In connection with exchange, it would effect transfers of funds by telegram, letter or other method of communication, and buy and sell transfers effected by such means, trade acceptances, bankers' acceptances, bankers' drafts, and bills of exchange drawn in or on places outside of Canada and having a maturity not exceeding 90 days, excluding days of grace, or not exceeding 90 days after sight excluding days of grace, from date of acquisition by the Bank. Other points in the by-laws are outlined hereafter.

Investments. The Bank was given power to buy and sell or rediscount short-term securities issued or guaranteed by the Dominion of Canada, or any Province, having a maturity not exceeding two years from date of acquisition by the Bank; to buy and sell securities issued or guaranteed by the Dominion of Canada or any Province, having a maturity exceeding two years from date of acquisition by the Bank, but the Bank should at no time hold such securities (exclusive of securities transferred to Bank on commencement of business) of par value in excess of three times the paid-up capital of the Bank; to buy and sell short-term securities issued by the United Kingdom, any British Dominion, the United States of America, or France, having a maturity not exceeding six months from date of acquisition by the Bank;

to buy and sell securities issued by the United Kingdom or the United States of America, having a maturity exceeding six months from date of acquisition by the Bank, but the Bank should at no time hold such securities in excess of one-half the paid-up capital of the Bank.

Discounts. Power was given to buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank drawn or issued in connection with the production or marketing of goods, wares and merchandise, as defined in the Bank Act, excepting those mentioned in this paragraph, and having maturity not exceeding 90 days or 90 days after sight, from date of acquisition by the Bank; to buy and sell or rediscount bills of exchange and promissory notes endorsed by a chartered bank, drawn or issued in connection with the production or marketing of products of agriculture, the forest, the quarry and mine, or the sea, lakes and rivers, as defined in the Bank Act, and having a maturity not exceeding 180 days, excluding days of grace from date of acquisition by the Bank; and it provided that the Bank might, by regulation, limit to a percentage of its total assets the amount of such paper having a maturity in excess of 90 days excluding days of grace but not exceeding 180 days excluding days of grace, from date of acquisition by the Bank.

Loans and Advances. The new Bank was given power to make loans or advances for periods not exceeding six months to chartered banks on the pledge or hypothecation of the foregoing classes of securities, bills of exchange or promissory notes, or of Canadian municipal securities or of securities issued by a school corporation or parish trustees, or of securities issued pursuant to the Statutes of a Province making provision for the payment thereof and the interest thereon by the Province, or of gold or silver coin or bullion or documents of title relating thereto; to make loans or advances for periods not exceeding six months to the Dominion Government or the Government of any Province on the pledge or hypothecation of readily marketable securities issued or guaranteed by the Dominion of Canada or any Province; to make loans to the Dominion Government or the Government of any Province, but such loans outstanding at any one time should not in the case of the Dominion Government, exceed one-third of the estimated revenue for their fiscal year, and should not in the case of any Provincial Government exceed one-fourth of the estimated revenue for their fiscal year; and such loans should be repaid before the end of the first quarter after the end of the fiscal year of such Government.

Open Market Operations. For the purpose of its open market operations, the Bank might buy and sell in the open market from or to any person, either in or outside of Canada, securities, cable transfers, bankers' acceptances and bills of exchange as defined in the foregoing with or without the endorsement of a chartered bank.

Deposits. The Bank might accept from the Dominion Government or the Government of any Province or from any chartered bank or from any bank incorporated under the Savings Bank Act, deposits which should not bear interest; open accounts in a central bank in any other country or in the Bank for International Settlements, and act as agent, depository or correspondent of such other central banks or the Bank of International Settlements.

Real Estate. The Bank might acquire by purchase or lease and hold real or immovable property for the actual use and occupation of the Bank in connection with its business and sell and dispose of the same.

Ancillary Powers. It might do anything ancillary to all or any of the above purposes.

Acquisition of Collateral Securities. The Bank might acquire from any chartered bank and hold any warehouse receipt, bill of lading and other security held by such chartered bank pursuant to the provisions of the Bank Act, as collateral security for the repayment of any bill of exchange or promissory note acquired by the Bank; and the Bank might exercise every

right and remedy in respect of such collateral security as could have been exercised by the chartered bank aforesaid.

Prohibited Business. The Bank should not, except as authorized by the Act: (1) engage or have a direct interest in any trade or business whatsoever; purchase its own stock or the shares of any other bank except the Bank for International Settlements or make loans upon the security thereof; (2) lend or make advances upon the security of any real or immovable property, provided that in the event of any claims of the Bank being in the opinion of the Board endangered, the Bank might secure itself on any real property of the debtor or any other person liable and might acquire such property, which should, however, be resold as soon as practicable thereafter; make loans or advances without security; (3) accept deposits for a fixed term or pay interest on any moneys deposited with the Bank; (4) allow the renewal of maturing bills of exchange, promissory notes or other similar documents purchased or discounted by or pledged to the Bank, provided that the Board might make regulations authorizing in special circumstances not more than one renewal of any such bill of exchange, promissory note or other document.

Note Issue. On and after the day on which the Bank was authorized to commence business, the Bank should, except as provided in the Bank Act, have the sole right to issue notes payable to bearer on demand and intended for circulation in Canada. Such notes should be legal tender, and should be the first charge upon the assets of the Bank. The Bank Act provided that, after the Bank of Canada was authorized to commence business, the maximum amount of notes of a chartered bank in circulation at any time should not exceed the amount of its unimpaired paid-up capital, and on Jan. 1 of each year for a period of five years commencing on the first day of January, 1936, this maximum figure should be reduced by 5 per cent. and in the five years commencing Jan. 1, 1941, the figure should be reduced by 10 per cent. each year, and, thereafter, until Parliament further enacts, the amount of notes of a bank in circulation should not exceed 25 per cent. of the amount of the unimpaired paid-up capital of the Bank.

Redemption of Notes. The Act provided that the Bank should sell gold to any person who made demand therefor at the head office of the Bank and tendered the purchase price in legal tender; but only in the form of bars containing approximately four hundred ounces of fine gold. The Governor-in-Council, from time to time and for such period as he might deem desirable, might suspend the operation of the foregoing and remove such suspension.

Gold and Securities to be Turned Over to Bank. On the day on which the Bank was authorized to commence business, the Minister should transfer to the Bank (a) gold held by the Minister for redemption of Dominion notes; (b) silver held by the Minister for redemption of Dominion notes valued at the market price of the fine silver content thereof; (c) securities of the Dominion of Canada bearing interest at 3 per cent. *per annum*, payable half-yearly and having a maturity not exceeding five years, valued at par, to the amount of Dominion notes outstanding on that day except notes issued under the Finance Act (see following paragraph).

Redemption of Outstanding Notes. On and after the day on which the Bank was authorized to commence business, the Bank should be responsible for the redemption of all Dominion notes then issued and outstanding and such notes should be and continue to be legal tender. On the day on which the Bank was authorized to commence business, the chartered banks should repay all advances then outstanding under the Finance Act.

Reserves. The Bank should always maintain a reserve as security against its outstanding notes and deposit liabilities. The reserve required should consist of gold coin and bullion equal to not less than 25 per cent. of the notes and deposit liabilities; and might, in addition, include (a) silver bullion received from the Minister or purchased in accordance with the provisions of the Act, valued at the market price of the fine silver content thereof; and (b) foreign exchange, which should mean (1) balances with the Bank of

England, the Bank for International Settlements, the Federal Reserve Bank of New York, and a central bank in any country whose currency by law and in fact was convertible on demand at a fixed price into exportable gold; (2) Treasury bills or other obligations of the United Kingdom or the United States of America having a maturity not exceeding three months from date of acquisition by the Bank; (3) bills of exchange having a maturity not exceeding 90 days excluding days of grace, or not exceeding 90 days after sight excluding days of grace from date of acquisition by the Bank payable in London or New York or in a country whose currency by law and in fact was convertible on demand at a fixed price into exportable gold; less any liabilities of the Bank payable in currency of the United Kingdom, the United States of America or any country, whose currency was by law and in fact convertible on demand at a fixed price into exportable gold. At the request in writing of the Board of Directors, the Governor-in-Council might suspend the operation of the provision which required the Bank to maintain a 25 per cent. gold reserve, as above stated. Such suspension might not exceed 60 days with extension, but no such suspension should continue for a period longer than one year without sanction of Parliament. The Bank should, during the years 1935, 1936 and 1937, purchase and hold newly-mined Canadian silver as and when required by the Minister but the Bank should never be required to purchase more than 1,671,802 fine ounces in any year.

Reserve of Chartered Banks. After the day on which the Bank was authorized to commence business, every chartered bank should maintain a reserve with the Bank of Canada, of not less than 5 per cent. of its deposit liabilities within Canada, and should transfer to the Bank all gold coin or bullion owned and held by it in Canada. It was provided that any profits resulting from the sale by the Bank of Canada of gold coin and bullion transferred to it by the chartered banks, or from an increase in the value of such gold resulting from any change in the monetary standard of Canada, should be paid by the Bank to the Receiver-General for the Consolidated Revenue Fund, except in the case of gold held by a chartered bank against liabilities elsewhere than in Canada, when such profits shall belong to the chartered bank.

Organization. A formal offering of Bank of Canada stock to an extent of 100,000 shares of $50 par value each was made on Sept. 17, 1934, by the Minister of Finance, pursuant to the provisions of the Bank of Canada Act. This stock carried a cumulative dividend of 4½ per cent. *per annum.* There was payable on application, 25 per cent. or $12.50 a share, with a balance of $37.50 payable on Jan. 2, 1935. Subscriptions remained open until Sept. 21, and shortly afterwards it was announced that applications for the stock had been received from nearly 14,000 persons, with total subscriptions for slightly over 232,000 shares—making necessary an allotment. The Province of Ontario provided the largest number of subscriptions, 5,315 applicants for 108,348 shares; Quebec, 3,252 for 60,073 shares; Manitoba, 757, for 13,021; British Columbia, 717 for 14,327; Saskatchewan, 659 for 7,806; Nova Scotia, 582 for 12,197; Alberta, 419 for 6,590; New Brunswick, 336 for 7,086; Prince Edward Island, 62 for 1,415, and Northwest Territories, one applicant for 20 shares.

Early in September, 1934, Graham Ford Towers, Assistant General Manager of the Royal Bank of Canada, was appointed Governor of the Bank of Canada (see also page 87). In October, announcement was made of the appointment as Deputy Governor of John Arundel Caulfield Osborne, Secretary of the Bank of England, and later, Kenneth A. Henderson, a member of the bond house of Collier, Norris and Henderson, Montreal, was chosen as chief of the Securities Division of the Bank.

In December, shareholders of the Bank received a list of names of 69 persons who had been nominated for the Directorate of the Bank which was to be composed of seven to be chosen from the nominees. At the election, held on Jan. 23, 1935, a representative list which had been sent out by the Canadian Chamber of Commerce was endorsed by the shareholders. Ac-

cording to the Bank Act, two of the Directors had to represent the primary industries; two commerce and manufacturing; and three, all others. The successful candidates consisted of W. K. McKean, Halifax (lumbering); Robert J. Magor, Montreal (manufacturer), Joseph Beaubien, Montreal; W. D. Black, Hamilton (manufacturer); Thomas Bradshaw, Toronto (life insurance); R. A. Wright, Drinkwater, Sask. (farmer); and W. C. Woodward, Vancouver (accountant). Of these, Mr. Bradshaw and Mr. Wright, who received the largest number of votes (23,398 and 24,506, respectively) were to hold office for six years; Mr. Black and Mr. McKean (23,240 and 19,934 votes, respectively), for five years; Mr. Magor and Mr. Beaubien (18,097 and 17,300, respectively), for four years, and Mr. Woodward (15,844 votes), for three years. Mr. Bradshaw was chosen to sit with the Executive Board.

The Head Office of the Bank was to be set up in the City of Ottawa. The Bank might establish branches and agencies and appoint agents in Canada and, with the approval of the Governor-in-Council, elsewhere than in Canada.

Banking In Relation To Business Conditions

If the figures of the chartered banks of Canada reproduced below, and representing conditions as at the end of December in each of the years between 1930 and 1934 inclusive, were taken, on the ordinary basis, as indicative of business conditions in the country, the picture of recovery would not be a particularly encouraging one. For, as they stand, these banking figures show commercial loans in Canada on Dec. 31, 1934, as at the lowest level of the "depression" period—the total of $838,796,000 being down over $59,000,000 for the year; $125,000,000 in two years; $243,000,000 in three years; and off $635,000,000 or 43 per cent. from the peak of $1,473,000,000 established in October, 1929. Obviously, then, the total of commercial loans could not be taken on this occasion as the barometer of business activity in Canada—for this had moved up progressively and steadily from the low of 1932-33. The explanation of the persistent decline in this total is two-fold. In the crash of 1929 the banks held a large number of "frozen" loans, many of which were large and could not be liquidated readily. In the five years that followed, there was a steady process of liquidation of these loans, partly and largely through the reduction in inventories, and partly, of course, through surplus profits. At the same time, the corporations which were free of loans generally had liquid resources sufficient to meet their requirements for businesses which had only partially recovered in volume, and hence they had recourse only to a moderate extent at most to banking credit. At the end of 1934, it seemed probable that the total of commercial loans might follow the seasonal trend of further declines until the usual upturn in business in the Spring (1935) caused manufacturing plants and commercial institutions to turn to the banks for increased credit.

During 1933 there was a slight decline in savings deposits, from $1,377,000,000 to $1,356,000,000. By the end of 1934, however, there was a gain of over $50,000,000 to $1,407,201,814, although in December itself the usual seasonal decline took place of about $4,000,000. In 1929 and 1928, savings deposits had averaged well over $1,500,000,000. The fluctuations, therefore, considering the unusual

conditions prevailing, were remarkably moderate. A certain volume of "savings" came to the Canadian banks from the United States, seeking the safety that had been disturbed for a time by the banking crisis in that country in March, 1933.

During 1934 there was a slight decline in call loans in Canada, a little over $3,000,000—from $105,949,889 to $102,699,733. This reflected in the main a falling-off in the volume of business on the stock exchanges although bond operations were included also in the totals of call loans. The peak had been reached in September, 1929, of $280,800,000, dropping to below $200,000,000 in January, 1931, and to below $100,000,000 in January, 1933. A low level was reached in May, 1933, at $93,700,000. Call loans outside Canada on the other hand increased by some $8,700,000 in 1934, to $98,743,000. The low of this type of loan had been $65,000,000 in May, 1932, but the total had been over $333,000,000 in June, 1929.

In sharp contrast to the record decline in the total of commercial loans, but closely related thereto, was a record increase in holdings of high-grade securities by the Canadian chartered banks. Where the total of commercial loans had sunk to a new low level at Dec. 31, 1934, the total of holdings of securities at the same date was at a new peak in the history of the Canadian banking system, standing at $966,547,701 and with a total, for the first time, substantially larger than that of commercial loans of $838,000,000. There were two reasons for this unprecedented buying of securities by the banks. One was the offset to the decline in loans, that is, the increase in the surplus funds available. Another was the policy of currency expansion undertaken by the Dominion Government in July, 1934, by which the banks, after taking up the additional Dominion notes made available to them, were forced, in the main, to invest them in securities with the decreasing demand for commercial money. Of the total of securities held at the end of 1934, $780,000,000 represented Government securities: an increase of no less than $126,000,000 in six months, $218,000,000 in two years, $302,000,000 in three years, and $372,000,000 in four years, a gain of almost 100 per cent. On the whole, the investment in securities other than Government bonds by the banks tended to decrease, as indicated in the accompanying table.

Total loans to Provinces and Municipalities tended to rise or fall in inverse ratio to the ability of the bond market to absorb bond offerings by governments and municipalities, the banks tiding them over certain periods by loans when public financing was not favourable. As compared with loans to Provincial Governments of around $30,000,000 at the end of 1934, there had been a total of over $56,000,000 early in 1932, when financing was difficult. At the same period, loans to municipalities had risen to a peak of $154,000,000, but by the end of 1934 they were down to $107,000,000 as compared with $108,000,000 one year previous. Relief requirements continued to increase these loans but, in the main, they, as well as ordinary needs, were looked after by public financing.

During the business decline, there was little tendency for any increase in the paid-up capital of the chartered banks. In 1934, however, Barclays Bank (Canada) made an increase from $500,000 to $1,500,000. At the same time it raised its Rest Account by $250,000, from $500,000 to $750,000. This was the only change in the total of either item during the year. The accompanying tables cover the aggregate figures for the banks and detailed figures for individual banks as well.

Records of Chartered Banks of Canada

Table I

	Dec.31,1934	Dec.31,1933	Dec.31,1932	Dec.31,1931	Dec.31,1930
Notes in circulation	$136,434,754	$132,058,957	$127,074,824	$141,013,382	$148,017,056
Adv. under Fin. Act	35,241,000	50,388,000	56,998,000	46,500,000	20,500,000
Savings Deposits	1,407,201,814	1,356,916,826	1,377,520,115	1,360,042,129	1,425,845,166
Demand Deposits	575,496,870	501,870,943	466,212,767	566,584,565	641,694,317
Deposits elsewhere	325,397,867	322,186,867	328,725,094	310,086,314	372,275,709
Gold and coin	49,375,009	48,499,138	53,263,094	65,816,786	84,038,609
Dominion Notes	158,006,059	118,459,160	153,181,279	128,860,547	126,888,728
Govt. secur. (2-yr.)	404,435,082	651,068,470	562,359,413	477,912,303	408,589,260
Govt. secur.	376,322,929				
Municipal, etc.	92,544,033	158,078,288	166,958,673	154,109,577	128,070,741
Public. secur. elsewhere.	53,605,206				
Railway, etc.	39,640,451	51,859,393	48,933,929	62,010,798	67,448,882
Call loans, Canada	102,699,733	105,949,889	103,294,289	134,730,957	204,781,345
Call loans, outside	98,743,655	90,071,910	91,491,603	83,124,317	145,904,776
Comm. loans, Canada	838,796,579	898,159,673	964,023,809	1,082,097,360	1,149,175,118
Comm. loans, outside	133,942,910	138,058,578	151,661,262	188,357,012	213,965,402
Loans to Prov. Govts.	30,172,491	28,798,480	28,273,553	45,557,589	29,680,467
Loans to Municipalities	107,504,128	108,826,297	111,569,810	125,689,588	96,182,688
Non-current loans	14,085,968	13,231,466	13,311,964	10,327,706	7,428,476
Bank premises	77,642,534	78,254,447	78,702,197	79,785,470	78,559,505
Letters of credit	50,808,311	49,378,947	42,634,870	55,473,413	78,359,018
Central Gold Reserves	18,581,732	17,781,732	19,881,732	25,731,732	32,580,866
Total assets	2,919,286,944	2,815,752,804	2,852,086,913	2,997,672,792	3,143,756,013
Capital paid-up	145,500,000	144,500,000	144,500,000	144,500,000	145,024,560
Rest or Reserve Fund	132,750,000	132,500,000	162,000,000	162,000,000	162,825,000

Table II

Bank	Capital Paid-Up	Notes in Circulation Dec.31,1934	Notes in Circulation Dec.31,1933	Savings Deposits Dec.31,1934	Savings Deposits Dec.31,1933
Montreal	$36,000,000	$33,888,821	$33,342,250	$388,033,057	$382,032,766
Nova Scotia	12,000,000	12,322,202	11,501,047	135,322,407	132,478,002
Toronto	6,000,000	6,391,054	6,018,249	65,955,346	61,660,527
Provincial	4,000,000	4,216,396	3,780,095	32,398,182	30,746,154
Commerce	30,000,000	25,338,437	23,763,025	288,668,201	276,364,452
Royal	35,000,000	32,383,164	30,076,706	273,471,790	262,650,929
Dominion	7,000,000	6,683,623	6,261,243	63,527,293	61,751,134
Can. Nationale	7,000,000	7,594,839	9,294,639	79,325,419	76,150,298
Imperial	7,000,000	7,295,758	7,733,983	77,406,936	70,299,785
Barclays (Canada)	1,500,000	320,460	287,720	3,093,183	2,782,779
	$145,500,000	$136,434,754	$132,058,957	$1,407,201,814	$1,356,916,826

Bank	Rest or Reserve Fund	Commercial Deposits Dec.31,1934	Commercial Deposits Dec.31,1933	Investments(b) Dec.31,1934	Investments(b) Dec.31,1933
Montreal	$38,000,000	$154,447,989	$134,201,625	$341,842,018	$324,441,394
Nova Scotia	24,000,000	40,930,668	34,201,845	94,527,146	89,190,271
Toronto	9,000,000	25,648,163	24,126,040	36,803,210	41,210,064
Provincial	1,000,000	4,532,293	4,092,515	19,966,723	17,654,264
Commerce	20,000,000	120,440,804	105,438,022	179,058,622	143,722,668
Royal	20,000,000	151,502,610	129,197,432	172,484,891	145,969,681
Dominion	7,000,000	28,214,657	26,074,876	34,317,603	33,760,487
Can. Nationale	5,000,000	20,171,852	16,291,754	48,133,704	44,321,550
Imperial	8,000,000	26,745,377	26,961,607	35,667,396	29,165,163
Barclays (Canada)	750,000	2,862,457	1,285,227	3,746,388	1,570,609
	$132,750,000	$575,496,870	$501,870,943	$966,547,701	$861,006,151

(b)Bonds, debentures, stocks.

Further Decrease in Banking Profits. The decline in operating profits of the Canadian chartered banks continued throughout 1933 and 1934, bringing the downward movement to one of five years in succession.

As between 1932 and 1933 the reduction was even greater than between 1931 and 1932, nearly $2,400,000, from $18,518,721 to $16,133,464. The decline was checked considerably, however, in 1934, and in place of universal reductions as had been the case in previous years, two of the banks, the Imperial and Toronto, showed slight gains. The net result was a reduction of a little less than $1,000,000 in the total, from $16,133,464 to $15,165,988, or about 6 per cent. As between the total for the year 1929 of $25,713,598, and that of 1934, there was the sharp reduction of $9,547,610 or 37.1 per cent. The lessened earnings reflected a continued inability of the banks to employ more than an unusually small proportion of their available funds in commercial loans, a source of much higher returns than the high-grade investments which became the alternative. The reduction in the rate of interest paid on savings deposits (from 3 per cent. early in 1933 to 2 per cent. late in 1934) was largely offset by the cutting down of interest charged on government and municipal loans and, to some extent, on agricultural credits. The table given below covers the whole period from the peak of 1929 to the records for 1934, in place of only three years as formerly. The figures are provided for the longer period also because a new basis of comparison with preceding years was rendered necessary through a change in the records provided by the banks in covering 1934 operations: Provincial as well as Dominion Government taxes were recorded in the 1934 statements, where formerly other taxes than Dominion were deducted before profits were shown. In the accompanying tables profits are shown in every instance "after all taxes." The picture, therefore, is complete from the peak of profits to what may reasonably be assumed to be the low level—the recovery for the banks showed a greater delay than had been the case in the industrial field.

Bank Profits

Bank	1934	1933	1932	1931	1930	1929
Montreal (o)	$3,204,370	$3,496,595	$4,205,430	$4,776,379	$6,059,052	$6,635,027
Nova Scotia (d)....	1,850,330	1,923,900	2,183,592	2,459,802	2,420,195	2,661,117
Toronto (n)	902,499	878,373	884,393	1,008,915	1,179,872	1,295,382
Provincial (n)	315,666	320,155	393,059	403,678	441,957	483,522
Commerce (n)	2,813,655	3,098,832	3,729,424	4,174,923	4,753,423	4,416,229
Royal (n)	3,323,201	3,591,649	4,261,849	4,848,327	6,032,627	6,535,137
Dominion (d)	905,799	924,571	965,564	1,110,990	1,229,669	1,337,523
Can. Nat. (n)	788,475	865,350	860,075	891,940	909,702	948,099
Imperial (o)	1,061,993	1,034,039	1,035,335	1,158,863	1,274,081	1,401,562
TOTALS	$15,165,988	$16,133,464	$18,518,721	$20,833,817	$24,300,578	$25,713,598

(o) Years ended Oct. 31st. (n) Years ended Nov. 30th. (d) Years ended Dec. 31st.

Probably an even clearer picture of the shrinkage in earnings of the banks is provided by a comparison of the amount available on the paid-up capital stock over the six years, 1929-34. In 1929, for instance, the Bank of Montreal earned $19.93 per share. The very next year there was a reduction of over $3 a share and a second one of over $3 in 1931. For 1934, the amount shown of $8.90 a share was considerably less than one-half that of the year 1929. The Bank of Nova Scotia, which in 1929 showed $26.61 a share, dropped over $5.50 in 1930 and by 1934 was earning only $15.42. This, however, was a substantial margin over the dividend that had been reduced from $16 to $12 a share. The Bank of Toronto earnings were reduced from $21.59 to $15.04, with the dividend down from 13 to 10 per cent. The Provincial Bank from $12.09 to $7.89, with the dividend rate down from 9 to 6 per cent.; the Canadian Bank of Commerce, in 1929 earned $16.39, and in 1934 $9.38, the dividend having been cut from $13, including bonus, in 1929, to $8. The Royal Bank of Canada in 1929 showed earnings of $19.99; this was also more than cut in two to $9.49 in relation to a cut of dividends from $14 to $8 per share. The Dominion Bank had its earnings reduced from $19.68 to $12.94, with the dividend down from $13 to $10. La Banque Canadienne Nationale earned $15.29 in 1929 and $11.26 in 1934, with the dividend reduced from 10 to 8 per cent. Imperial Bank of Canada showed a slight increase in 1934 over 1933, $15.17 as against $14.77. In 1929, earnings had been $20 per share. Following is the

record of earnings per share of all the nine banks reporting profits between 1929 and 1934.

Earnings on Capital Stock

Bank	1934	1933	1932	1931	1930	1929
Montreal (o)	$8.90	$9.71	$11.68	$13.25	$16.83	$19.93
Nova Scotia (d)	15.42	16.03	18.20	20.50	21.09	26.61
Toronto (n)	15.04	14.64	14.74	16.81	19.66	21.59
Provincial (n)	7.89	8.00	9.83	10.09	11.05	12.09
Commerce (n)	9.38	10.33	12.43	13.91	15.84	16.39
Royal (n)	9.49	10.26	12.18	13.85	17.24	19.99
Dominion (d)	12.94	13.21	13.79	15.87	17.57	19.68
Can. Nationale (n)	11.26	12.36	12.28	12.74	13.00	15.29
Imperial (o)	15.17	14.77	14.79	16.55	18.20	20.02

(o) Years ended Oct. 31st. (n) Years ended Nov. 30th. (d) Years ended Dec. 31st.

The movement in 1931, 1932 and 1933 towards a reduction of the dividend rates of a number of the Canadian chartered banks became fairly stabilized in 1934 when the sharp decline in earnings was checked, for the most part. Only one bank, La Banque Canadienne Nationale, reduced its dividend rate in 1934. The reduction made, from 10 to 8 per cent., was rather unique in that this bank had been the only one that had not lowered its dividend rate in the three corresponding years when all other banks were making two and even three reductions. The net change between 1930 and 1934 for the Bank of Montreal was from 14 to 8 per cent.; the Bank of Nova Scotia, from 16 to 12 per cent.; the Bank of Toronto, from 13 to 10 per cent.; the Provincial Bank, from 9 to 6 per cent.; the Canadian Bank of Commerce, from 13 to 8 per cent.; the Royal Bank of Canada, from 14 to 8 per cent.; the Dominion Bank, from 13 to 10 per cent.; the Banque Canadienne Nationale, from 10 to 8 per cent.; and the Imperial Bank, from 13 to 10 per cent. The 1930 dividends included bonuses of 2 per cent. on the part of the Bank of Montreal and the Royal Bank of Canada, and bonuses of 1 per cent. each for the Bank of Toronto, Canadian Bank of Commerce, Dominion Bank and Imperial Bank. The Bank of Nova Scotia had paid 16 per cent. in regular dividends of 4 per cent. for each quarter. The following table covers the prevailing dividend rates during the 5 years 1930, 1931, 1932, 1933 and 1934.

Bank Dividend Rates

Bank	1930	1931	1932	1933	1934
Montreal	12%+2%	12%	10%	8%	8%
Nova Scotia	16%	16%	14%	12%	12%
Toronto	12%+1%	12%	10%	10%	10%
Provincial	9%	9%	8%	6%	6%
Commerce	12%+1%	12%	10%	8%	8%
Royal	12%+2%	12%	10%	8%	8%
Dominion	12%+1%	12%	10%	10%	10%
Canadienne Nationale	10%	10%	10%	10%	10%*
Imperial	12%+1%	12%	10%	10%	10%

*Reduced from 10% to 8% Sept. 1st, 1934.

High Levels of Bank Stocks. On the whole, the stock market movement of stocks of the Canadian chartered banks in 1934 reversed the downward tendency that had been fairly prevalent in 1933. In the earlier period the majority of bank stocks had declined in response to the knowledge that profits also were continuing in a downward direction. In 1934, advances, some of them substantial, were shown in most bank stocks. This was due probably not so much to the feeling that the decrease in earning power was practically at an end as to the tendency for lower interest rates. This made a lower yield attractive as compared with a similar yield the previous year and automatically drove up the levels of bank stocks as was the case with bonds. In 1934, for instance, the Bank of Montreal showed a gain of 30 points; the Bank of Nova Scotia, of 8 points; the Bank of Toronto, of 57 points; the Canadian Bank of Commerce, of 40 points; the Royal Bank of Canada, of 39 points, the Dominion Bank, of 67 points; and the Imperial Bank, of 55 points. The Banque Canadienne Nationale showed a decline of 9 points. The new Bank of Canada stock of $50 par value was traded in only during the month of December and then on a 25 per cent. paid up

basis. The quotation, which represented the valuation given the $50 stock, opened at a premium of 5 points, that is, at 55, sold up to 58 in Montreal, and 58¼ in Toronto, dipped to a low of 53¼, and closed the month and year at 55 without change. Besides a tendency to greater stability in earnings, the bank stocks in 1934 showed more moderate fluctuations between the highs and the lows than in 1933. In the earlier period there had been a range of 69 points in the Bank of Montreal stock, from a low of 151 to a high of 220; in 1934, the extremes were only 33 points (204-171). The Canadian Bank of Commerce had a range of 57 points in 1933 (176-119); in 1934, the range was 44 points (167-123). In the case of The Royal Bank, the range covered 59½ points in 1933, 193-123½; in 1934, 40½ points. Generally speaking, however, in 1934, bank stocks did not reach the high levels touched in 1933; Dominion, Imperial and Toronto were exceptions as the list below indicates:

	1929		1930		1931		1932		1933		1934			
Bank	High	Low	High	Low	High	Low	High	Low	High	Low	Open	High	Low	Close
Canada	...	...	...	...	...	...	...	...	...	...	57	58¼	53¼	55
Montreal	425	290	322	280	302	235	223	150	220	151	171	204	171	201
Nova Scotia	406	363	350	272	325	284	275	238	285	228	270	280	253	278
Toronto	282	240	262	215	238	213	193	125	215	152	162	221⅝	162	219
Commerce	360	240	275	222	231	196	191	123	176	119	126	167	123	166
Royal	365	285	315	272	291	231	171	120	183	123½	130	170	129½	169
Dominion	280	223	243	216	224	204	194	125	175	124	133	202	133	200
Can. Nat.	189	170	175	168	175½	112½	131	127	155	127¼	139	144	124	128
Imperial	277	227	245	216	224	204	194	125	175	124	145	203	141	200

Steady Reduction in Bank Branches. During 1933 and 1934, the process of closing unprofitable branches continued as in 1931 and 1932. At the end of 1930 the total (well above the figures for 1928 and 1929) had reached 4,238 branches, including those outside as well as within Canada. In 1931, there had been a net reduction of 117 branches. During 1932 a number of branches were closed, but in that year and in 1933 there was a combined reduction of 344 branches. In 1934 the total was reduced from 3,777 to 3,664. In the first half of 1934, about 24 branches were closed, but in the latter half of 1934 the total of 3,753 (as at June 30) was reduced by 89 branches. Between the end of 1931 and 1934 the Bank of Montreal total was reduced by 88 branches, (640 to 552); Nova Scotia, by 38 branches, (348 to 310); Toronto, by 12 (191 to 179); Provincial, by 17 (from 334 to 317, including sub-branches); Canadian Bank of Commerce, by 119 (from 771 to 652); Royal Bank of Canada, by 108 (from 881 to 773); Dominion, by 6 (from 139 to 133); La Banque Canadienne Nationale, by 41 (from 592 to 551, including sub-branches); Imperial, by 31 (from 226 to 195). Barclays Bank (Canada) had added in 1931 a Toronto branch to the Montreal operations, and these two branches continued unchanged to the end of 1934. The table following shows the number of branches of each bank in the years 1930-34 as at Dec. 31:

Bank	Dec. 31 1930	Dec. 31 1931	June 30 1932	June 30 1933	Dec. 31 1933	June 30 1934	Dec. 31 1934
Montreal	677	640	615	(c)583	(c)577	(c)574	(c)552
Nova Scotia	355	348	342	336	317	314	310
Toronto	203	191	183	179	179	180	179
Provincial	(a)334	(a)331	(a)323	(a)318	(a)317	(a)318	(e)317
Commerce	791	771	750	717	692	674	652
Royal	901	881	848	837	(a)809	(a)805	(f)773
Dominion	144	139	137	135	133	134	133
Can. Nationale	(a)593	(a)592	(a)575	(a)556	(a)553	(a)553	(g)551
Imperial	209	(b)226	(b)220	206	198	199	195
Weyburn Security	30	(x)	(x)	(x)	(x)	(x)	(x)
Barclays (Canada)	1	2	2	2	2	2	2
TOTALS	4,238	4,121	3,995	3,869	3,777	3,753	3,664

(a) Including sub-branches; (b) including Weyburn Security Bank then absorbed; (c) including 26 sub-agencies; (e) including 181 sub-branches; (f) including 19 sub-branches; (g) including 313 sub-agencies; (x) absorbed by Imperial Bank of Canada.

Bank Debits To Individual Accounts. The recovery in business and financial transactions in Canada in 1933 had increased the total of bank debits in clearing house centres of Canada from $25,844,000,000 for 1932, to $29,981,000,000 for 1933—a gain of $4,137,000,000 or 16 per cent. For the

1933 period, there had been increases in three of the five economic areas, with two, the Maritime Provinces and British Columbia, showing declines of 7.3 per cent. and 0.7 per cent. respectively. The Province of Quebec showed an increase of 10.3 per cent. for 1933 over 1932; Ontario, 15.7 per cent., and the Prairie Provinces 33.7 per cent. In 1933 bank clearings, as distinct from bank debits, had shown an increase of 14 per cent. over 1932, with a total of $14,721,000,000 as compared with $12,916,000,000. This improvement continued during 1934 as a result of further expansion in business operations. During the first eleven months of 1934 (the latest record available at the time of writing) financial transfers of this character represented by the amount of cheques cashed against individual accounts at the branch banks in the thirty-two clearing centres amounted to $29,827,000,000 as compared with $27,490,000,000, the gain being $2,337,000,000 or 8.5 per cent. Indeed, the total for the eleven months of 1934 was within $155,000,000 of the amount for the entire year of 1933. Each of the five economic areas, except the Prairie Provinces, recorded gains over the first eleven months of 1933, and only five of the thirty-two clearing centres showed a decline. The Maritime Provinces gained 10.8 per cent. over the eleven months of 1933; the Province of Quebec was up 10.1 per cent.; Ontario was up 13.1 per cent., and British Columbia, up 8.7 per cent. The Prairie Provinces declined nearly 3 per cent. For the month of November, 1934, there was a gain of 9 per cent. over November, 1933, with a total of $3,092,000,000 as compared with $2,837,000,000. It is interesting to note that by the former date (November, 1934) all five economic areas were showing increases, the Maritimes being up 5.3 per cent.; Quebec up 5.5 per cent.; Ontario, with the largest increase, up 14.2 per cent.; the Prairie Provinces 2.4 per cent. higher; and British Columbia, 6.8 per cent.

Clearing House Centres	First Eleven Months, 1934 $	First Eleven Months, 1933 $	Increase (+) or Decrease (—) 1934 vs. 1933 $	Percentage of 1934 to 1933
MARITIME PROVINCES—				
Halifax	253,502,395	232,992,515	20,509,880+	108.8
Moncton	78,738,625	64,659,258	14,079,367+	121.8
Saint John	154,760,913	141,956,761	12,804,152+	109.0
Total—Maritime Provinces..	487,001,933	439,608,534	47,393,399+	110.8
QUEBEC—				
Montreal	7,995,510,532	7,212,804,213	782,706,319+	110.9
Quebec	502,509,241	500,943,065	1,566,176+	100.3
Sherbrooke	58,990,258	59,839,611	849,353—	98.6
Total—Quebec	8,557,010,031	7,773,586,889	782,423,142+	110.1
ONTARIO—				
Brantford	76,416,332	72,945,057	3,471,275+	104.8
Chatham	63,091,771	56,415,593	6,676,178+	111.8
Fort William	44,862,751	43,501,766	1,360,985—	103.1
Hamilton	484,554,765	423,716,717	60,838,048+	114.4
Kingston	47,233,312	46,647,535	585,777+	101.3
Kitchener	99,110,095	84,419,405	14,690,690+	117.4
London	301,526,249	272,935,337	28,590,912+	110.5
Ottawa	1,713,191,424	1,226,465,998	486,725,426+	139.7
Peterborough	48,148,007	43,737,825	4,410,182+	110.1
Sarnia	72,321,343	77,456,577	5,135,234—	93.4
Sudbury	44,893,682	37,623,851	7,269,831+	119.3
Toronto	10,291,441,201	9,348,374,041	943,067,160+	110.1
Windsor	188,001,064	177,915,318	10,085,746+	105.7
Total—Ontario	13,474,791,996	11,912,155,020	1,562,636,976+	113.1
PRAIRIE PROVINCES—				
Brandon	24,554,903	25,112,443	557,540—	97.8
Calgary	489,699,118	517,401,775	27,702,657—	94.6
Edmonton	344,988,836	335,664,954	9,323,882+	102.8
Lethbridge	38,343,955	33,197,599	5,146,356+	115.5
Medicine Hat	21,906,248	19,489,929	2,416,319+	112.4
Moose Jaw	46,088,737	44,568,170	1,520,567+	103.4
Prince Albert	19,105,876	16,056,016	3,049,860+	119.0
Regina	441,151,435	399,859,654	41,291,781+	110.3
Saskatoon	92,932,665	91,046,553	1,886,112+	102.1
Winnipeg	4,300,003,007	4,512,188,686	212,155,679—	95.3
Total—Prairie Provinces	5,818,804,780	5,994,585,779	175,780,999—	97.1

Clearing House Centres	First Eleven Months, 1934 $	First Eleven Months, 1933 $	Increase (+) or Decrease (—) 1934 vs. 1933 $	Percentage of 1934 to 1933
British Columbia—				
New Westminster	48,080,458	43,013,988	5,066,470+	111.8
Vancouver	1,212,464,744	1,108,613,938	103,850,806+	109.4
Victoria	228,352,093	217,979,836	10,372,257+	104.8
Total—British Columbia	1,488,897,295	1,369,607,762	119,289,533+	108.7
Grand Total for Canada	29,826,506,035	27,489,543,984	2,336,962,051+	108.5

The Canadian Bankers' Association. At the Annual General Meeting of the Canadian Bankers' Association in Montreal on Nov. 8, 1934, the President, Jackson Dodds, General Manager of the Bank of Montreal, delivered an address in which he dealt particularly with banking legislation during the year. Mr. Dodds expressed opposition to the existing clause in the Bank Act by which charters were granted for a period limited to ten years at a time, the renewal coinciding with the decennial revision of the Bank Act. Would it not answer the arguments on both sides, he asked, if at the next revision of the Bank Act the banks were given charters "without specific limitation as to duration, on the same basis on this behalf as bank charters are now held in Great Britain, France and the United States, with, however, a provision in the legislation explicitly requiring that Parliament shall review the provisions of the Act at the end of each ten years for the purpose of such Amendments as experience and new conditions might seem to require. In other words the charters would continue without a break, except as amended at the end of each decennial period to meet changed conditions, and the risk of dissolution and utter confusion and disorder such as once impended would be completely removed."

Officers elected for the year 1934-35 were: Honorary Presidents—Sir John Aird, Sir Frederick Williams-Taylor, C. A. Bogert, John R. Lamb and J. A. McLeod; President, Jackson Dodds (re-elected); Vice-Presidents—S. H. Logan, M. W. Wilson, H. B. Henwood and Dudley Dawson. Executive Council—H. F. Patterson, C. A. Roy, Beaudry Leman, A. E. Phipps and H. A. Stevenson. Auditor—G. T. Clarkson, C.A. Secretary-Treasurer, Arthur W. Rogers.

Changes In Personnel. Amongst financial institutions, one of the most notable changes in 1934 was the retirement (Nov. 30) of Sir Herbert S. Holt as President of the Royal Bank of Canada, a position that he had occupied for 26 years (to become Chairman of the Board). It so happened that his successor as President, Morris W. Wilson, who had been Vice-President and Managing Director, entered upon the senior office at the same age of 52 years as that at which Sir Herbert had been appointed President. Succeeding Mr. Wilson, Sydney G. Dobson, senior Assistant General Manager, became General Manager. A change in the Presidency of the Dominion Bank also took place in 1934, C. H. Carlisle, President of the Goodyear Tire and Rubber Company, being chosen to succeed C. A. Bogert, who was named Chairman of the Board. At the Annual Meeting of the Bank of Nova Scotia, held early in 1934, J. A. McLeod, who was General Manager, was elected President, with S. J. Moore becoming Chairman of the Board, while H. P. Patterson succeeded Mr. McLeod as General Manager. At the close of 1934, Beaudry Leman, who was General Manager of La Banque Canadienne Nationale, was elected President and Managing Director, with Senator J. M. Wilson becoming Chairman of the Board, and Ernest Guimont, K.C., chosen as General Manager. Still a fifth change in the presidency of Canadian chartered banks, covering almost one-half the entire list, was the appointment of S. J. B. Rolland as President of the Provincial Bank of Canada, with Charles A. Roy chosen as General Manager. Another interesting appointment was the election of Hon. C. A. Dunning to the Presidency of Maple Leaf Milling Company; also that of Hon. Gordon W. Scott as President of Canadian Industrial Alcohol, to succeed Lord Shaughnessy.

Financing by Canadian Bonds in 1933 and 1934

The year 1934, as that of 1933, saw a marked change in conditions for the sale of Canadian bonds. In 1932 the unfavourable situation prevailing in the bond market had held down public offerings to the smallest volume since 1920. In the latter part of 1932, prices of bonds began to advance, and confidence, which had been lacking earlier in the year even in the highest grade issues, began to return. The uncertainty of investment sentiment, however, had held down offerings to the minimum for governments and municipals, and attempts to float corporation issues were extremely rare. In 1933 the bond market, both with regard to demand and price levels continued to improve, and this condition extended throughout 1934. In 1933, the total sales of Canadian bonds amounted to $528,000,000 as compared with $479,000,000 in 1932. In 1934 the total had increased by well over $100,000,000. It was noticeable, however, that while Government issues found a fairly ready absorption, municipal offerings still continued to be small in volume and corporation and railroad issues almost disappeared. In 1932, there were some $93,903,000 of municipal offerings, but in 1933 this had shrunk to $41,000,000. Corporation issues in 1932 amounted to $10,265,000; and in 1933 to only $2,400,000. The scarcity of railroad issues was even more pronounced; in 1932 the total was $12,500,000 but in 1933, only $1,000,000. On the other hand, Government issues (Federal and Provincial) of $362,000,000 in 1932 had increased by nearly $120,000,000 to $482,000,000 in 1933. The following table (compiled by A. E. Ames and Company) gives comparative figures for 1932 and 1933, as well as for 1931, 1930 and 1929. It should be noted that the high total for 1931 includes over $600,000,000 of what was known as the Dominion of Canada Conversion Loan:

1933	Government	Municipal	Corporation	Railroad	Total
SOLD IN—					
Canada	$349,113,000	$41,631,537	$4,200,000	$1,000,000	$395,944,537
United States	60,000,000	.....	.....	.....	60,000,000
Great Britain	72,999,750	.....	.....	.....	72,999,750
Totals 1933	$482,112,750	$41,631,537	$4,200,000	$1,000,000	$528,944,287
1932					
SOLD IN—					
Canada	$269,552,000	$93,803,986	$10,265,000	$10,000,000	$383,620,986
United States	78,667,000	.....	.....	2,500,000	81,167,000
Great Britain	14,478,284	100,000	.....	.....	14,578,284
Totals 1932	$362,697,284	$93,903,986	$10,265,000	$12,500,000	$479,366,270
" 1931	985,236,505	87,374,934	55,337,000	120,000,000	1,247,948,439
" 1930	295,157,800	114,034,507	216,592,500	137,238,000	763,022,807
" 1929	118,960,000	115,534,456	220,893,600	198,000,000	658,388,556

Long Term Record. According to an estimate by *The Monetary Times*, Dominion Government financing in 1934 amounted to $400,000,000 as compared with $440,000,000 in 1933 and $226,250,000 in 1932; Provincial financing was $139,868,000 in 1934 as against $82,889,000 in 1933; and Municipal, $24,690,132 as compared with $41,282,513 in 1933, and $95,600,632 in 1932. The railways borrowed $32,500,000 through bond issues in 1934 as against $1,000,000 in 1933, and corporations showed a revival in financing with issues amounting to $40,902,696 or over 10 times the total of 1933. The table below (*The Monetary Times*) covers records of Canadian bond sales from 1904 to

1934 inclusive. It will be noted that four years stand out in the record, the Victory Loan periods of 1917, 1918 and 1919, and the year 1931, when Canada carried out the largest "conversion" operation of any year in its history.

Canadian Bond Sales, 1904-1934

Year	Dominion	Provincial	Municipal	Railway	Corporation	Total
1934	$400,000,000	$139,858,000	$ 24,690,132	$ 32,500,000	$ 40,902,696	$ 637,960,828
1933	440,000,000	82,889,000	41,282,513	1,000,000	4,385,000	569,556,513
1932	226,250,000	128,217,000	95,600,632	12,500,000	10,550,000	473,117,632
1931	858,109,300	126,239,205	85,290,066	121,750,000	59,432,000	1,250,820,571
1930	140,000,000	160,004,000	109,648,063	137,238,000	220,335,000	767,245,063
1929	.....	119,960,500	98,667,809	199,200,000	243,330,600	661,158,909
1928	.....	92,992,500	27,120,588	48,396,000	285,083,000	453,592,088
1927	45,000,000	114,795,500	72,742,114	80,000,000	289,680,067	602,217,681
1926	105,000,000	76,633,267	65,020,194	34,500,000	250,919,200	532,072,661
1925	169,333,333	106,970,000	46,218,987	40,925,195	120,085,833	483,533,348
1924	175,000,000	89,640,000	88,731,612	157,375,000	69,179,180	579,925,792
1923	200,000,000	106,279,000	83,686,422	27,500,000	97,352,320	514,817,742
1922	200,000,000	114,918,000	87,088,877	13,505,100	76,885,500	492,397,477
1921	.....	160,745,400	84,776,931	96,733,000	61,335,825	403,591,156
1920	.....	125,993,000	56,371,391	96,500,000	46,050,276	324,914,667
1919	763,000,000	52,374,000	26,274,089	35,359,133	42,930,000	909,937,222
1918	689,016,000	18,605,000	43,570,361	19,600,000	4,565,000	775,356,361
1917	650,000,000	15,300,000	24,189,079	17,700,000	18,850,000	726,039,079
1916	175,000,000	33,173,000	93,977,542	22,240,000	32,240,000	356,882,542
1915	170,000,000	48,105,000	67,393,328	33,675,000	15,933,000	335,106,328
1914	48,666,666	56,100,000	79,133,996	59,719,000	29,315,405	272,935,067
1913	34,066,666	36,850,000	110,600,936	65,895,880	126,381,813	373,795,295
1912	25,000,000	25,639,700	47,159,288	45,014,925	130,124,069	272,937,982
1911	.....	11,375,000	30,295,838	85,611,265	139,530,885	266,812,988
1910	45,000,000	10,000,000	49,043,325	41,090,000	85,867,265	231,000,590
1909	62,500,000	9,187,500	31,532,960	100,803,180	61,134,612	265,158,252
1908	47,665,000	550,083	44,814,930	.....	103,326,508	196,356,521
1907	.....	9,274,000	14,430,540	.....	58,931,200	82,635,740
1906	.....	10,000,000	8,332,008	.....	35,655,000	53,987,008
1905	.....	346,087	9,013,163	.....	125,515,281	134,874,531
1904	.....	11,146,000	14,684,247	.....	9,344,000	35,174,247

Absorption by Various Markets. The year 1933 saw a considerable change in the percentage of Canadian issues placed in the British market. For a number of years the total had been almost negligible, amounting in 1932 to only 3.10 per cent. as compared with 17.35 per cent. in the United States and 79.55 per cent. in Canada. In 1933, however, the percentage placed in Great Britain rose to 13.79 per cent., exceeding for the first time since before the War the volume placed in the United States, which was 11.34 per cent., and relieving also the Canadian market where the ratio fell to 74.87 per cent. The record as provided by the Dominion Securities Corporation for the years 1929-33 inclusive (the corresponding figures for 1934 were not available) was as follows:

Canadian Bond Distribution

	1933	1932	1931	1930	1929
Dominion of Canada[1]	$408,000,000	$226,250,000	$ 864,307,500	$100,000,000	.....
Provincial	67,874,000	136,440,301	123,157,205	158,081,800	$115,310,500
Municipal	42,495,246	84,420,174	86,770,306	113,211,556	99,579,207
Railway	1,000,000	12,500,000	121,750,000	138,487,000	198,000,000
Public Service Corp.	7,125,000	6,245,000	45,300,000	143,120,500	83,100,000
Industrial and Miscel.[2]	2,725,000	1,840,000	8,972,000	52,190,000	132,026,500
TOTAL	$529,219,246	$467,695,475	$1,252,258,611	$705,090,856	$628,016,207
Percentage placed:					
In Canada	74.87%	79.55%	85.78%	51.82%	52.42%
In United States	11.34%	17.35%	13.62%	46.51%	43.18%
In Great Britain	13.79%	3.10%	.60%	1.67%	4.40%

[1] Government Sales total does not include Treasury Bills of less than one year of Treasury Bills issued to Dominion Government by the Provinces for advances from the former.

[2] Issues of Parishes or Ecclesiastical Institutions are listed under "Industrial and Miscellaneous."

Borrowings in the United States. During 1934 borrowings on the part of Canada in the United States sank to a new low level for a period of over 20 years. Indeed, the only financing by Canada was in the form of the refunding of a maturing obligation by the Dominion Government through an issue,

in July, of $50,000,000 of one-year Treasury Notes bearing 2 per cent. interest (which was underwritten by a syndicate headed by the Chase National Bank to provide, in part, for the refunding of a $60,000,000 maturity). This issue represented less than 8 per cent. of Canada's total borrowings, and indicated a virtual abandonment of the United States as a field for the marketing of new issues of Canadian bonds. This was the direct outcome of the heavy penalties suffered by all classes of Canadian borrowers in 1932 when high premiums were required to meet payments of principal and interest on outstanding bonds, payable as these were in New York funds, which ruled at a fairly high average level above Canadian funds throughout the year. As a result, nearly all new bonds in 1933 and particularly in 1934 were made payable in Canadian funds only, thus rendering them less attractive from a marketing standpoint to a large section of United States investment circles. Actually, in 1934, the total sales in the United States of new Canadian offerings fell behind sales in the British market by several million dollars.

Canadian Financing in Great Britain. Following upon successful flotations by three of the Provinces in the London market in 1932, the Dominion of Canada in September, 1933, made an issue of 4 per cent. registered stock to an amount of $72,999,750 (£15,000,000). In relation to this the Minister of Finance, the Hon. Edgar N. Rhodes, in the Budget Speech delivered in the House of Commons (Apr. 18, 1934) spoke as follows: "As the Dominion had not been a borrower in the London money market for some 18 years, the response of the investing public was awaited with keen expectation. The issue was an outstanding success, the applications totalling 20,000, representing over £80,000,000. The success of the offering" he added, "was a tribute to the financial and economic stability of Canada and reacted most favourably on the market position of Dominion securities at home and abroad." The 1933 loan in London was sold at par on a yield basis of 4 per cent. In May, 1934, this transaction was eclipsed by the borrowing in London by the Dominion of £10,000,000 bearing an interest rate of 3¼ per cent. and maturing in 21 years. At the offering price of 96.50 the yield was 3.48 per cent., as compared with the 4 per cent. of 1933. Two other Canadian offerings were made, with complete success, on the London market in 1934. The City of Montreal floated an issue of £1,246,000 of 3¼ per cent. one-year bonds, and just before the close of the year Jamaica Public Service Limited sold an issue of $2,100,000 of 4½ per cent. 30-year bonds.

Dominion Government Financing in Canada. The 1933 record of Dominion Government financing had as its outstanding item the National Domestic Loan amounting to $225,000,000 (October). The main purpose was to meet a maturing Victory Loan issue of $169,900,000 as the amount remaining of the original 1918 issue. The bonds were dated Oct. 15 and were issued in three maturities: 2-year bonds with interest at 3½ per cent. and 6- and 12-year bonds with interest at 4 per cent. The 2-year bonds were offered at 99.50 to yield 3.75 per cent., the 6-year at 99.00 to yield 4.19 per cent., and the 12-year at 96.50 to yield 4.38 per cent. The 12-year bonds were made subject to call at the option of the Government, after 10 years, and the issue price, according to a statement of the Minister of Finance, "represented the lowest yield basis on which long-term Dominion securities had ever been offered in the domestic market." (The following year, 1934, was to see a still lower yield basis). Of the maturing Victory Bonds, a very high percentage, over $139,000,000, was exchanged for the new bonds, while the banks also converted $40,000,000 of 3½ per cent. Treasury Bills which they had acquired in the previous May. Total cash subscription for the loan amounted to $76,700,000, and of these only $45,700,000 could be accepted to make the total agreed upon at the outset, $225,000,000. It is interesting to note that the amount allocated of the two-year bonds was $89,300,000, of the 6-year maturity, $47,200,000, and of the 12-year bonds, $88,300,000. The average interest cost on all maturity was only 4.17 per cent.

The sale by tender of short-term Treasury Bills was an innovation in Dominion of Canada financing in 1934, anticipating the operation of the new

Bank of Canada. The cost basis to the Government declined steadily—in line with the movement of interest rates generally and of yields from high grade bonds. During the year a total of $60,000,000 of new money was provided from this source, a portion of which went to pay off maturing Treasury Bills. The following is the complete list of six transactions:

Mar.	1,	due	June	1—	$ 2,450,000,	average	cost,	2.85%
"	1,	"	Nov.	1—	12,550,000,	"	" ,	3.12%
Apr.	18,	"	July	1—	1,600,000,	"	" ,	2.41%
"	18,	"	Oct.	1—	13,400,000,	"	" ,	2.71%
Nov.	1,	"	Feb.	1—	1,600,000,	"	" ,	2.35%
"	1,	"	May	1—	18,400,000,	"	" ,	2.47%

The two-year 4 per cent. notes of the Dominion which matured on Nov. 1, 1934, were extended to the date on which the Bank of Canada should commence business (early in 1935).

In reference to the initial offerings, an announcement was made at Ottawa on Mar. 6, 1934 (Canadian Press dispatch), that $15,000,000 of these Bills had been sold by public tender "at what was believed to be the lowest interest rate on record for Canadian short-term financing"; and that "the successful tenderers were representative of banks, insurance companies, and large industrial corporations." In contrast to a cost basis of 2.85 and 3.12 per cent. respectively, short-term financing in 1933 had cost the Dominion of Canada only 3.75 per cent. The major item of Dominion Government financing in 1934 was the "1934 Refunding Loan," to an amount of $250,000,000. The Loan was distributed over the unusual number of four maturities, two-, five-, eight- and fifteen-year, bearing coupon rates of 2 per cent., 2½ per cent., 3 per cent. and 3½ per cent. respectively. New record yield rates followed the low coupon rates—being 2.57, 2.90, 3.43 and 3.81 per cent. respectively. The four offerings were as follows:

(1) Two-year 2 per cent. bonds, due Oct. 15, 1936: issue price, 98.90 and accrued interest, yielding 2.57 per cent. to maturity;
(2) Five-year 2½ per cent. bonds, due Oct. 15, 1939: issue price, 98.15 and accrued interest, yielding 2.90 per cent. to maturity;
(3) Eight-year 3 per cent. bonds, due Oct. 15, 1942: issue price, 97.00 and accrued interest, yielding 3.43 per cent. to maturity;
(4) Fifteen-year 3½ per cent. bonds, due Oct. 15, 1949: issue price, 96.50 and accrued interest, yielding 3.81 per cent. to maturity.

The proceeds of the Loan were used to retire $222,216,850 of Dominion of Canada 5½ per cent. bonds maturing Nov. 1, 1934—a balance of a Victory Loan issue of 1918. The balance of funds provided by the new Loan was to be used "for the general purposes of the Government, including redemption of short-term Treasury Bills." The result of the Loan was indicated in an announcement made by the Minister of Finance (Hon. E. N. Rhodes) on Oct. 13, 1934, that the total subscribed for the $250,000,000 flotation was almost $283,000,000, making necessary "a heavy scaling down of the larger cash subscriptions." "With an over-subscription of about $33,000,000" said Mr. Rhodes, "the loan may be regarded as an outstanding success." All cash subscriptions up to $25,000 in all four maturities were allotted in full; in the 2-year and 5-year maturities, subscriptions in excess of $25,000 were allotted only 50 per cent., while in the 8-year and 15-year bonds, subscriptions between $25,000 and $500,000 received an allotment of 70 per cent. and those over $500,000 only 50 per cent.

Provincial Government Financing. The bond offerings by the Provincial Governments of some $82,000,000 in 1933 were considerably exceeded by a total in excess of $140,000,000 in 1934—aided by higher prices and a more receptive market. Every Provincial issue in 1934 was floated in Canada. The Western Provinces for a considerable time, owing to extreme difficulty in balancing their budgets and the necessity for substantial aid from the Federal Government in meeting both interest and principal obligations, found financing costly, but gradually the confidence of the markets extended to this group (as it had much earlier to the Eastern Provinces) and an improvement of 1 to 2 per cent. in the cost of new money as compared with 1932 transactions was registered finally. The Province of Ontario came into the market in

1934 for much more than one-half the total, directly for $77,500,000, and indirectly—through guaranteed issues of the Hydro-Electric Power Commission of Ontario—for $8,000,000 more, a total of $85,500,000. The earlier Ontario issue was for $40,000,000, in January (1934), through bonds bearing coupon rates of 4 per cent. and 4½ per cent. and for maturities of 3, 6 and 15 years. The cost basis to the Province ran from 4.36 to 4.78 per cent. An appeal to the popularity of short-term issues in August, through an issue of $37,500,000 bearing only 2½ per cent. interest and for maturities of 1 to 5 years, resulted in a response at a cost basis of only 2.97 per cent.—a record low cost to the Province. An issue of $5,000,000 of 4 per cent. "Hydro" bonds in December (1934), of a 20-year maturity, was subscribed to by a syndicate at a cost basis to the borrower of 4.25 per cent. Another "Hydro" issue of 4½ per cent. 4-year bonds for $3,000,000 was taken by the banks. Quebec Province came second in volume of offerings, with $17,700,000: an issue of $7,700,000 in March of 4's, serials, at a cost basis of 4.04 per cent., and in August—just before the Ontario issue—an issue of $10,000,000 of 3 per cent. bonds of a 5-year maturity on the low cost basis of 3.05 per cent. During the year, indeed, every Province except British Columbia entered the market, as follows:

Provincial Offerings in Canada, 1934

Province	Month	Amount	Interest Rate Per Cent.	Maturity Years	Yield Rate Per Cent.
New Brunswick	Jan.	$ 799,000	5	15	5.08
Ontario	Jan.	40,000,000	4 & 4½	3, 6, 15	4.36 & 4.78
"Hydro" of Ontario	Feb.	3,000,000	4½	3	....
Quebec	Mar.	7,700,000	4	20	4.04
New Brunswick	May	1,857,000	4	14	4.15
Nova Scotia	May	5,050,000	3½	5	3.71
Prince Edward Island	May	500,000	3	2	2.97
" " "	May	300,000	4	10	4.07
Alberta	Aug.	1,650,000	5	31	....
Ontario	Aug.	37,500,000	2½	1—5	2.97
Quebec	Aug.	10,000,000	3	5	3.05
Saskatchewan	Aug.	3,000,000	4	19	5.15
New Brunswick	Sept.	1,100,000	4	20	3.99
Nova Scotia	Sept.	3,534,000	3	5	3.15
Saskatchewan	Sept.	5,000,000	4	20	5.10
Alberta	Dec.	5,000,000	4	20	4.37
"Hydro" of Ontario	Dec.	10,000	3½	8	3.06
Manitoba	Dec.	3,878,000	4	15	4.34

Municipal Financing. A steady decline throughout 1933 and 1934 in the volume of municipal financing followed fairly closely the slackening in these years of corporation bond offerings. In a total estimated at approximately $25,000,000 in 1934, only four cities sought amounts in excess of $1,000,000 each: Montreal, $6,230,000; Toronto, $4,098,000; Quebec, $3,699,000, and Hamilton, $2,328,562. Only one other city exceeded $500,000, namely, Ottawa, with $552,995. The cost of the funds, as in the case of the Provinces and Dominion, showed a marked decline—reflecting the higher levels for bond prices. Montreal in a one-year note issue paying around 3.25 per cent.; Toronto, on a longer term basis, 3.50 per cent.; Quebec, 4.53 per cent.; Hamilton, 4.48 per cent., and Ottawa, 4.12 per cent. The details were as follows:

City	Amount	Interest Rate Per Cent.	Maturity	Yield Rate Per Cent.
Montreal	$6,230,000	3¼	1-year	3.25
Toronto	4,098,000	3½	5—30 ins.	3.50
Quebec	3,699,000	4 & 4½	5 & 16 ser.	4.53
Hamilton	2,328,562	4	5—20-ins.	4.43

Railway Financing. A revival of railway bond offerings developed in 1934 with both the Canadian National Railways and the Canadian Pacific coming into the market. In 1932, only the C.P.R. had offered bonds, $12,500,000, of which $2,500,000 had been placed in New York. In 1933 only $1,000,000 was sold, but in 1934 the Canadian Pacific (in May) distributed $12,000,000 of 4 per cent. 15-year bonds on the unusually low cost basis of 4.20 per cent. Later in the year (December), an offering of Canadian National Railways bonds of $20,500,000, 16-year maturity, was sold on a new low record cost to the C.N.R. of 3.02 per cent. These latter bonds enjoyed the high

prices (and low yields) of Dominion Governments, being guaranteed by the Dominion of Canada as to principal and interest.

Investment Dealers' Association of Canada. Following an executive meeting of the Investment Bankers' Association of Canada, held in August, 1934, announcement was made that this organization henceforth would be known as the "Investment Dealers' Association of Canada." The change was made as a result to an Amendment to the Bank Act by Parliament passed at the 1934 Session. At the Annual Meeting of the Association held at Murray Bay, Que., June 22-4, 1934, the President, W. C. Pitfield, emphasized "the substantial improvement in market values of bonds and fixed interest securities during the year ended May, indicating the continued downward trend in interest rates." Mr. Pitfield gave the following instances: average value of four typical Canadian Government bonds improved over 5 per cent., with yields declining from 4.57 per cent. to 3.75 per cent.; average value of five typical Canadian Provincial bonds improved about 3 per cent. with yields declining from 5.24 per cent. to under 5 per cent.; average yield of 8 typical Canadian Municipal bonds improving over 7¼ per cent., with yield declining from 5.8 per cent. to less than 5.2 per cent.; average value of ten typical public utility bonds improving nearly 15 per cent. with yields declining from 6½ per cent. to 5.40 per cent.; and average value of eleven typical industrial bonds improving over 48 per cent. with yield down from 6.95 per cent. to 5.01 per cent. In dealing with the proposal made one year previously for the formation of a Canadian bond exchange, the President reported that the opinions of members of the committees (Eastern and Central Sections) had been so divided that it was finally decided to take no immediate action. He recommended that some step should be taken by the new Bank of Canada toward the regulation of borrowings and expenditures of public bodies, or the establishment of a "Central Loan Board" or "Central Finance Board" which would have jurisdiction over such matters. Officers elected for 1934-35 were as follows: President, R. W. Gouinlock, Toronto; Vice-Presidents, J. E. Savard, Montreal; H. E. Cochran, Toronto; R. A. Baker, Winnipeg; and A. D. Lauder, Vancouver; Honorary Treasurer, A. H. D. Mackenzie, Montreal; General Secretary, J. A. Kingsmill, Toronto.

Earnings of Corporations Registered Gains for 1934

The general recovery in business conditions in Canada was reflected during 1934 by gains in the volume of sales and in net profits of most of the Canadian corporations whose records were available for purposes of comparison with corresponding periods of the 1933 fiscal year. Some of the increases for 1934 were very sharp. While a portion of the improvement in many cases undoubtedly was due to a drastic cutting down of overhead costs, in the main, probably, the gains in net grew out of increased business. Probably the records of the two great railway systems of Canada offered a fair epitome of the recovery. The Canadian Pacific Railway Company, for instance, showed gross earnings for 1934 up $11,273,267 or 9.9 per cent. as compared with 1933, namely, $125,542,955 as against $114,269,688. Net earnings from railway operations on a comparable basis were up some $5,270,000. The Canadian National Railways showed operating revenues for 1934 of $164,902,501, an increase of $16,382,759 over 1933, while net revenue of $12,066,423 showed an increase of $7,259,239.

Other records available at the time of writing were as follows (the figures representing the entire year 1934 or a larger portion of it included within the fiscal year): Belding-Corticelli, earned $5.04

per share of common against $4.68 (in 1933); Brazilian Traction net, up $579,765; Building Products earned $1.28 per share of common as against 21 cents; Page-Hersey Tubes, $3.55 per share against $1.82; Beauharnois Power, net operating revenue, $1,760,872 *vs.* $735,283; General Steel Wares, $2.36 per share of preferred, first earnings since 1929; Lake St. John Power and Paper, operating profits, $405,823 *vs.* $305,945; J. S. Mitchell Co., $2.06 per share of common *vs.* deficit; Montreal Light, Heat and Power Cons., $1.78 *vs.* $1.79; Shawinigan Water and Power, $1.04 *vs.* 84½ cents; Simpsons Ltd., $6.29 on preferred *vs.* $1.79; Kelvinator of Canada, gross profits, $626,090 *vs.* $378,529; Dominion Bridge, net income of $550,836 *vs.* $1,033,587; Canada Cement, total revenue, $2,094,-113 *vs.* $1,486,739 Distillers Corporation-Seagrams, profits $1,553,-970 *vs.* $1,266,614; Dominion Coal, output, 3,679,147 tons *vs.* 2,538,-309; International Paints (Canada), operating profits, $72,147 *vs.* loss of $2,031; Canada Bud Breweries, 67.7 cents per share *vs.* 50 cents; Canada Foundries and Forgings, total net income of $22,075 *vs.* deficit of $51,553; Canadian Bronze, $19.44 per share of preferred *vs.* $15.33; Monarch Knitting, $11.46 per share of preferred *vs.* $9.30; Riverside Silk, $2.50 *vs.* $1.78; Windsor Hotel, net of $101,503 *vs.* $83,257; Walkerville Brewery, net loss $15.691 *vs.* profit $43,739; Woods Manufacturing, $6.81 on preferred *vs.* $3.87; Biltmore Hats, $24.04 on preferred *vs.* $16.78; Dominion Bakeries loss, $30,222 *vs.* loss $185,000; Dominion Glass, $5.19 on common *vs.* $3.09; Southern Canada Power, net $1,384,335 *vs.* $1,333,288; Sherwin-Williams of Canada, operating profits, $302,098 *vs.* $133,-810; Hiram Walker-Gooderham and Worts, $7.30 on preferred *vs.* 77 cents; Canada Malting, $3.12 on common *vs.* $2; Western Canada Flour, operating profits, $275,302, up $39,137; St. Lawrence Flour, $4.19 on common *vs.* $2.04; N. Bawlf Grain, net profits, $194,918 *vs.* $63,896; Ogilvie Flour common, $8.09 *vs.* $8.10; Dominion Stores, 6.4 cents *vs.* $1.20; Canada Steamship Lines, for 1934, showed a gain in operating revenue of $1,184,973 to $8,936,369.

Dividend Payments During 1934. Financial operations in Canada during 1934 saw a marked gain in the volume of dividend payments on listed securities. The increased earnings and dividend payments of the gold stocks with several new dividends inaugurated accounted for a considerable portion of this gain. In addition, many industrial stocks increased existing dividends or resumed dividends which had been discontinued during all or part of the depression period. According to a record of *Financial Counsel,* dividends were paid in 1934 on 110 individual corporation and mining issues listed on the Montreal and Toronto Stock Exchanges. In 58 instances (representing 52.7 per cent. of the total) payments were increased or bonuses paid. In 45 instances, payments were maintained on an unchanged basis. In 7 instances only, representing 6.4 per cent. of the total, payments in 1934 were lower than in 1933. In connection with this estimate, a record is given of dividend payments in December, 1934, amounting to $47,047,562 or more than double the total of $22,564,000 for the same month of 1933, and comparing with $20,664,000 for December, 1932. The December total came close to the peak for all time for a single month established in December, 1930, of dividend payments amounting to $50,260,000. An estimate of dividend payments for the year 1934 on Canadian listed stocks comes close to the $200,000,000

mark at $196,039,411, comparing with $141,327,000 for the year 1933 and with $162,781,000 for the year 1932. *The Financial Post* in December, 1934, estimated dividend payments by Canadian companies as likely to run for the entire year 37.9 per cent. above the total for 1933. The estimate of this publication placed total dividend payments for 1934 at $185,759,716 as compared with $134,679,359 in 1933. Every month in 1934 showed a gain over 1933 except September when the drop was due entirely to a change in date of payments of two of the largest distributors, those of Imperial Oil and of International Petroleum. The record of *The Financial Post*, month by month for the three years, 1932-34, was as follows:

	1934	1933	1932
January	$14,416,545	$13,854,450	$20,400,598
February	3,783,396	3,335,428	4,095,424
March	17,267,509	16,754,000	18,944,826
April	12,265,579	11,602,414	21,273,875
May	4,793,184	2,931,000	4,674,523
June	41,938,738	17,497,407	19,342,689
July	16,432,866	12,672,273	16,008,127
August	4,463,924	3,260,000	4,391,902
September	9,731,678	14,271,323	16,049,340
October	13,849,280	11,807,000	15,919,557
November	4,188,056	3,656,148	3,652,381
December	42,638,981	23,037,916	20,209,250
Total	$185,759,716	$134,679,359	$164,962,592

The Northern Miner late in December, 1934, estimated that dividends from the mining companies of Canada in 1934 "exceeded the combined total of those to common and preferred stockholders of all the banks, insurance and trust companies, chain stores, brewing and distilling corporations, textile, construction and utility companies." Also that returns from mining dividends amounting to $49,500,000 represented 29 per cent. of all dividends paid and were exceeded only by the dividends of one industrial group, the oils, which amounted to $62,000,000. In a record of dividends paid by mining companies in 1934, as compared with 1933, *The Northern Miner* included: Hollinger, $6,888,000 in 1934, as against $4,182,000 in 1933, and the following other companies, with 1934 figures first, and the corresponding 1933 payments in brackets. Dome, $3,336,669 ($1,716,001); McIntyre-Porcupine, $1,596,000 ($1,496,254); Lake Shore, $7,000,000 ($6,000,000); Teck-Hughes, $2,643,929 ($2,884,286—1 of 3 reductions); Wright-Hargreaves, $3,025,000 ($1,512,500); Buffalo Ankerite, $87,341 ($42,571); Sylvanite, $824,875 ($164,975); Siscoe, $902,500 ($644,545); Bralorne, $625,000 (none in 1933); Pioneer, $1,138,637 ($735,735); Premier, $600,000 ($650,985); Howe Sound, $1,421,373 ($615,928); Macassa, $131,399 (none in 1933); Toburn, $148,000 (none in 1933); Howey, $500,000 (none in 1933); San Antonio, $111,973 (none in 1933); Kirkland Lake Gold, $157,173 (none in 1933). Gold and Copper: Noranda, $4,479,544 ($3,359,658); Nickel and Copper: International Nickel, preferred, $1,933,898 ($1,933,898); International Nickel, common, $7,289,084 (none in 1933); Falconbridge Nickel, $901,818 ($812,609). Other Metals: Consolidated Mining & Smelting Co., $2,931,637 ($975,807); Coniagas, $96,415 ($97,769); Nipissing, $150,000 (none). *Financial Counsel* showed the following list of dividends increased and reduced during 1934 and 1933.

Common Dividends Increased

	1934	1933		1934	1933
Agnew Surpass	$0.40	nil	Canadian Foreign Invests.	1.25	0.50
Associated Breweries	0.50	$0.25	Canadian General Invests	0.40	0.35
Barcelona Traction	0.50	nil	Canadian Industries	6.00	4.37½
Biltmore Hats	1.00	0.50	Champlain Oil Products	0.10	nil
Bralorne Mines	0.77½	nil	Consolidated Bakeries	0.45	nil
Bright (T. G.) & Co.	0.30	0.10	Cons. Mining & Smelting	3.00	1.50
Bruck Silk Mills	1.05	0.25	Dome Mines	3.50	1.95
Buffalo Ankerite Mines(a)	0.16	0.13	Dominion Textile	4.75	4.00
Building Products	1.25	1.00	Falconbridge Nickel	0.27½	0.15
Bulolo Gold Dredging	1.50	0.60	Fanny Farmer Candy(b)	1.50	1.00
Can. Northern Power	1.00	0.90	Ford of Canada	1.25	1.00
Canadian Cottons	4.00	1.00	Foundation Company	0.25	nil

(a) Assuming 4th quarter payment at same rate as previous quarters. (b) Assuming final payment on same basis as previous year.

Common Dividends Increased—*Continued*

	1934	1933
Gachin Gold Syndicate(a)	1.00	nil
Goodyear Tire	3.00	2.80
Hollinger Consolidated	1.40	0.85
Howey Gold	0.10	nil
Imperial Oil	0.80	0.50
Intercolonial Coal	$2.00	$1.00
International Nickel	0.50	nil
International Petroleum	2.28	1.09
Kirkland Lake Gold	0.03	nil
Lake Shore Mines	3.50	3.00
Loblaw Groceterias	1.10	0.80
McColl-Frontenac	0.75	0.60
McIntyre-Porcupine	2.00	1.87½
Macassa Mines	0.05	nil
Montreal Tramways	9.00	8.75
Nipissing Mines	0.12½	nil
Noranda Mines	2.00	1.50
Northern Canada Mining	0.02	nil
Ottawa Traction	2.00	nil
Petrol Oil & Gas	0.03	0.01
Photo Engravers	0.50	nil
Pioneer Gold Mines of B.C.	0.70	0.51
Royalite Oil	1.25	1.00
St. Lawrence Flour(a)	1.75	1.50
San Antonio Gold	0.12	nil
Siscoe Gold Mines	0.19	0.14
Standard Fuel & Iron	0.50	nil
Steel of Canada	1.75	1.20
Sylvanite Gold	0.20	0.10
Toburn Mines	0.08	nil
United Amusements	0.15	nil
United Gold Equities	0.12½	0.05
Weston (George) & Co.	1.00	0.50
Wright-Hargreaves	0.60	0.30

Common Dividends Reduced

Brewers & Distillers	nil	$0.10
B.C. Power "A"	$1.50	1.87
Canadian General Electric	3.00	3.25
Can. Western Natural Gas	2.00	4.00
Economic Investment Trust	$0.50	$0.56¼
Southern Canada Power(a)	0.80	0.90
Teck-Hughes Gold	0.50	0.60

Commercial Failures in Canada. The cumulative total number of commercial failures in Canada for 1934, as reported to the Dominion Bureau of Statistics under the provisions of the Bankruptcy and Winding Up Acts, was lower at 1,532 as compared with 2,044, 2,420 and 2,216 for 1933, 1932, and 1931, respectively. The defaulted liabilities showed a striking decrease as compared with any of the three preceding years. Each of the Provinces showed a decrease in the number of failures as compared with 1933. In the year 1934, there were 88 assignments in the Maritime Provinces as compared with 107 in 1933, and 151 in 1932. The liabilities in the year 1934 were about $728,000, as compared with $1,058,000 in 1933, and $1,973,000 in 1932. Commercial failures in the Province of Quebec during 1934, numbered 779, as compared with 935 in 1933 and 968 in 1932. The liabilities aggregated $11,967,000. This compared with $15,544,000 liabilities in 1933, and $17,176,000 in 1932. In Ontario, the failures numbered 474, as compared with 730 in 1933 and 889 in 1932. The liabilities were about $7,419,000, as compared with $12,391,000 in 1933, and $23,246,000 in 1932. In the three Prairie Provinces, the failures in 1934 totalled 134 as compared with 214 in 1933, and 308 in 1932. The number of failures in both comparisons showed a decided decrease. The liabilities of the assignors in 1934 were approximately $1,467,000, as compared with $2,987,000 in 1933, and $6,708,000 in 1932. In British Columbia, commercial failures in 1934 numbered 57 as against 58 in 1933 and 104 in 1932. The liabilities in 1934 were approximately $2,018,000, as compared with $975,000 in 1933, and $2,527,000 in 1932. Commercial failures of trading establishments in 1934 numbered 799, as compared with $1,089 in 1933, 1,171 in 1932 and 1,102 in 1931. In manufactures, there were 217 failures in 1934, as against 357 failures in 1933, 468 in 1932, and 464 in 1931. Failures of agriculturalists showed a decrease from 190 in 1932 and 92 in 1933 to 82 in 1934.

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total	Liabilities
1934	8	42	38	779	474	56	36	42	57	1,532	$23,598,260
1933	10	55	42	935	730	67	59	88	58	2,044	32,953,858
1932	9	62	80	968	889	86	91	131	104	2,420	51,629,303
1931	7	51	74	795	793	109	152	131	104	2,216	52,552,900
1930	3	61	45	1,011	776	113	146	152	95	2,402	48,164,065
1929	1	71	61	927	762	91	84	101	69	2,167	38,747,638
1928	4	90	56	767	758	103	63	126	70	2,037	32,455,437
1927	4	66	74	658	681	97	54	135	72	1,841	30,634,469
1926	4	63	74	654	655	84	68	113	58	1,773	32,291,125
1925	4	71	67	758	721	85	77	139	74	1,996	32,153,697
1924	3	69	67	907	835	100	131	150	57	2,319	48,105,397
1923	16	155	67	1,181	970	258	280	323	158	3,408	61,617,527

Corporation Reorganizations. The most outstanding movement towards capital reorganization in 1934 in regard to public interest was that of **Price Bros. and Co.** This company had been placed in bankruptcy as a result of a default of interest on the first mortgage bonds on Aug. 1, 1932. Early in 1934, two groups began to offer competitive bids in order to secure control of the property, one of the oldest newsprint and lumber organizations in Canada. In March, 1934, a meeting of unsecured creditors and holders of the preferred and common stocks was held in the City of Quebec to consider an offer submitted through Price Bros. from an underwriting group composed of Duke-Price Power Co., the London Express Newspapers Limited (controlled by Lord Beaverbrook) and Anglo-Newfoundland Development Co. (controlled by Viscount Rothermere). Under this plan the underwriters were to supply $5,000,000 of new capital and were to receive in return $5,000,000 of 7 per cent. general mortgage 25-year debentures, as well as one-third of the new common stock to be issued and a bonus of common for debentures taken up. The bondholders were to be given in exchange an equal amount of new 6 per cent. bonds with arrears of interest of two years as at Feb. 1, 1934, amounting to $1,327,392, to be paid in cash. Unsecured creditors were offered "certificates of indebtedness" for the full amount of their admitted claims, this security to bear 5 per cent. interest. The holders of the 6½ per cent. cumulative preferred stock, of which 62,843 shares were outstanding, were offered new $100 preferred bearing a 5 per cent. dividend rate and cumulative to the extent earned. The common shareholders (426,832 shares outstanding) were to receive one-third of the new common stock. Participation in the issue of $5,000,000 of debentures was given the preferred and common shareholders. At the Quebec meeting, approval of the creditors was received to an extent of more than 99 per cent. of the total claims then approved by the Trustee in Bankruptcy; in the case of the common shareholders, there was voted in favour of the plan, $32,931,600 or 96.5 per cent. of the stock represented at the meeting. The vote of the preferred shareholders, however, was over 4 to 1 opposed, $3,100,300 or 80.2 per cent. being against, to $768,600 in favour. In June, 1934, a second meeting was held in Quebec City in which a combination of the underwriting group mentioned above and representatives of Bowater's Paper Mills of London combined in a second "Company" offer. So far as the bondholders were concerned, the offers were identical. The new cash was to be given in exchange for $5,000,000 of 6½ per cent. second mortgage debentures. The preferred shareholders were given a 5 per cent. preferred without cumulative dividends and common shareholders were to receive one share of new stock for three held. Unsecured creditors were offered 5 per cent. income certificates of indebtedness. The adverse vote of the preferred shareholders defeated the plan and little progress was made until January-February, 1935, when P.W. Pitt of London, England, began to negotiate a new plan. Once again the bonds were to receive similar securities in exchange and by this time three years arrears of interest in cash, amounting to nearly $2,000,000. The unsecured creditors were also to be paid off in cash and the underwriters were to receive 1,000,000 shares of new common for capital supplied of $5,000,000. The preferred shareholders were to receive 6 shares of new common for 1 of preferred and the common shareholders 1 share of new for 2 of the old. An issue of $1,500,000 of general mortgage bonds was to be issued with $500,000 of these allotted to holders of Price Realty bonds. The offer appeared to meet with a generally favourable reception.

Canadian Celanese. At a special meeting of preferred and common shareholders held on Dec. 11, 1934, a scheme of arrangement offered by the company was accepted unanimously. Under this, each preferred shareholder was to be given "income funding rights" to cover arrears of dividends, which "right" entitled the holder to payment of $1 *per annum* or interest (if earned) and to redemption of the rights at $25 each. A sinking fund of 1½ per cent. is provided for redemption of the rights. The company was required to set aside from net profits earned subsequent to Dec. 31, 1934, a

special fund of $367,200 to be applied for interest payments and redemption of rights.

Dominion Steel and Coal Corp.; Dominion Coal Co. Late in December, 1934, details were made public of a plan of capital reorganization of Dominion Steel and Coal Corporation (successor to British Empire Steel Corporation) and its subsidiary, Dominion Coal Co. So far as the latter was concerned, the chief objection to the existing status lay in arrears of over 10½ years in dividends owing to the holders of the preferred stock, or $75 a share. In this case it was indicated that an offer would be made to give in exchange for each $100 par preferred stock, $200 par of new preferred, bearing a 6 per cent. dividend rate ($12 in all) in place of the existing 7 per cent. on the $100 of stock. Afterwards, the $200 of stock was to be subdivided into 8 shares of $25 par value each, and on the $25 stock a dividend of $1.50 *per annum* was to be paid, cumulative from Oct. 1, 1934.

In the case of Dominion Steel and Coal Corporation, holders of $6,887,547 of 6 per cent. bonds were to be given 50 per cent. in amount or $3,443,773 of new Dominion Coal debentures and 64 per cent. or $4,408,000 of new 6¼ per cent. cumulative participating income bonds of Dominion Steel and Coal Corp. Interest on both the debentures and the income bonds would be cumulative from Sept. 1, 1934. In order to establish the new debentures of Dominion Coal Co., it would be necessary to change into these existing 6 per cent. income bonds of which the total of $3,500,000 outstanding rested in the treasury of Dominion Steel and Coal. In addition, an amount of $6,612,447 of Dominion Steel and Coal bonds, held by the banks as collateral for loans, would be wiped out, but in view of this the banks would be given as collateral $1,750,000 of prior lien bonds. The common "B" stock of Dominion Steel and Coal of $25 par value, with 841,760 shares outstanding, would remain unchanged. It was indicated that approval of the main details of this plan had been secured from the majority of the holders of the various securities concerned.

Algoma Cons. Corp., Lake Superior Corp., Algoma Steel. Late in 1934, a plan of reorganization was announced for Algoma Consolidated Corporation, Lake Superior Corporation and Algoma Steel, the group linked together by control of securities. This was rendered necessary by the default in 1932 of interest on the bonds of Algoma Steel Corporation, as a result of which receivers and liquidators were appointed. Default also took place in the bonds of Lake Superior Corp. Under the plan, which was approved by bondholders and ratified by the Court early in February, 1935, the preferred stock of $10,000,000 and the $15,000,000 of common stock of Algoma Steel Corporation would disappear. To the holders of $14,943,454 of 5 per cent. first and refunding mortgage bonds of Algoma Steel would be issued 74,718 no par value common shares of a new company, namely one-half share for each $100 of bonds. Holders of $5,278,000 of collateral trust bonds of Lake Superior would receive $2,639,000 of preferred stock of $100 par of the new Algoma Steel Corporation. The capitalization of the new Algoma Steel would consist of $5,000,000 of first mortgage 20-year 5 per cent. bonds, which would be underwritten by the sponsors of the plan; $2,700,000 of 6 per cent. preference stock convertible share-for-share into common within a period of 10 years, and 130,000 no par value common shares. A considerable amount of new money would be provided by the underwriters.

Brandram-Henderson. At a meeting of bondholders held at Halifax on Feb. 15, 1934, a plan was approved that arose out of the default on Mar. 15, 1933, and subsequently, of interest on the 6 per cent. consolidated bonds with $825,000 outstanding. The plan provided for accumulation of interest not paid by Mar. 15, 1936, and afforded payment in six equal instalments beginning Sept. 15, 1936. It was also agreed that due and past due sinking fund obligations were to be waived and cancelled.

Brewers and Distillers of Vancouver. A plan of reorganization of this company whereby it was proposed to make a return of capital accru-

ing to the company through the sale (mostly in the United States) of stocks of accumulated spirits, was abandoned. This return of capital was to have been made through the redemption of 3,125,000 shares of new 5 per cent. non-cumulative redeemable preferred stock of $4 par value. The decision not to go ahead with the plan followed notification from the Department of National Revenue at Ottawa that the proposed return of capital would be considered taxable for income purposes.

Burns and Company. A plan of reorganization was approved at a meeting held on Mar. 29, 1934, by a vote of $3,732,000 of the first mortgage bonds to $9,700 against. The plan had resulted from default in interest of June 1, 1932, and thereafter. Under the plan the maturity date of these 5½ per cent. first mortgage bonds was extended from June 1, 1948, to July 1, 1958. All unpaid and accrued interest to Dec. 1, 1933, was waived, with future payments to be made in Canadian currency only. A sliding scale of payments of interest from 2 per cent. to 3½ per cent. and, finally, from June 1, 1936, at 5 per cent. *per annum* was arranged. The sinking fund payable between June 1, 1935, and June 1, 1939, was to be determined by the directors, but thereafter to be annual and cumulative. In return for these concessions, the bondholders were to receive 5 new class "A" shares for each $1,000 of bonds, carrying non-cumulative preferred dividends of $1 per share and participating thereafter with other shares. Bondholders were to control 3 out of 5 new "management" shares, and to have the right to elect the entire board of directors until Apr. 1, 1939, and thereafter, according to condition of interest payments.

Canadian Power and Paper Investments. Official approval of a plan of reorganization was given on June 15, 1934. Holders of $2,400,000 of 5 per cent. debentures were to waive default in payment of interest on Aug. 1, 1933, and Feb. 1, 1934, and to postpone to Aug. 1, 1938, payment of this interest and all other fixed interest maturing to and including that date. In the meantime, interest would be paid if earned. The 50,000 outstanding shares of 5 per cent. cumulative convertible preferred stock were to be exchanged for an equal amount of no par preferred without conversion privilege. Common shareholders were to relinquish 96 per cent. of their holdings, retaining only the right to receive voting trust certificates representing 1 for each 25 held. For each $100 of debentures, 2½ shares of common, and for each 5 shares of preferred, 3 shares of common, were allotted in addition.

Winnipeg Electric Co. Early in 1935 announcement was made of a plan of reorganization whereby the assets of Winnipeg Electric Co. and its subsidiaries, chief of which were Manitoba Power Co. and Northwestern Power Co., would be consolidated and all securities in future, bonds and stock, bear the name of the new Winnipeg Electric Co. A reorganization plan was forced through default in meeting interest payment on the bonds of Northwestern Power. Under the plan, $3,500,000 of new 5 per cent. first mortgage bonds would be issued to provide for the refunding of outstanding bonds of Winnipeg Electric that fell due on Jan. 1, 1935, but were not redeemed. The holders of the 6 per cent. refunding mortgage bonds of Winnipeg Electric were to be given an even exchange into new 5 per cent. "A" mortgage bonds together with 9 shares of new common stock for each $1,000 of bonds. Holders of Manitoba Power 5½ per cent. first mortgage bonds were to be given a similar exchange. Holders of Northwestern Power 6 per cent. first mortgage bonds were to receive 40 per cent. of par in the new 5 per cent. "A" general mortgage bonds and the balance in "B" bonds (which were to be on an "income" basis for 12 years). The new "A" bonds were to carry 4 per cent. interest for 7 years and thereafter 5 per cent., and in lieu of the 7 per cent. interest, contingent certificates were to be allotted the bondholders. Holders of preferred stock of Winnipeg Electric were to receive par for par 50,000 shares of non-cumulative preferred (being 4 per cent. for the first 7 years and 5 per cent. thereafter) and in addition 25,000 class "B" common. The common shareholders of Winnipeg Electric were to receive new "B" common share for share.

Maple Leaf Milling. Plan of reorganization was approved in July, 1934, by bondholders and shareholders. This provided that for the 5 years from Dec. 1, 1933, interest should be reduced from 5½ per cent. to 2¾ per cent. with 10 shares of new class "A" redeemable participating preferred stock for each $1,000 of bonds to be issued in lieu of the balance of the interest. The company was to be released also from sinking fund payments for the 5 years. The interest on a bank loan of $1,993,700 was to be reduced to 1 per cent. per annum for 5 years from Dec. 1, 1933. Each 7 per cent. cumulative preferred share was to receive 7 shares of new no par common. Each class "B" share was to receive 1 share of new common and each 5 shares of old common to be allotted 1 of new common.

Canadian Stock Markets in 1933-34

Canadian stock markets in the latter part of 1933 and in 1934 showed an element of stability that had been absent since the market crash of 1929. In January, 1933, the index number of common stocks, 93 industrial and 25 public utility (records of the Dominion Bureau of Statistics), had stood at 51.9, in relation to a basis of 100 for the year 1926. This compared with the low of the depression of 38.6 reached in the final week of May, 1932. In February and March of 1933 there had been recessions but an advance was recorded to an average of 83.5 for September. The remaining months of 1933 saw a slight recession, with an average of 74.5 for October; 78.8 for November; and 77.5 for December. Coming into 1934 the average stood at 83.8 for January and, throughout the entire year, the greatest variation in any month was less than 10 points. The lowest average for the year was 83.1 for July. Between then and the end of the year, the index held within 5 points, never even passing the mark of 88 and showing an average for the final month of 87.9. The stability shown throughout the year was the counterpart of a relatively low volume of trading with the speculative element restrained and general sentiment uncertain—in spite of a substantial upward movement in industrial activity and a fair gain in industrial profits.

It is interesting to note that at no time since 1930 has the average index number covering 118 Canadian listed stocks, industrials and public utilities, recovered to the index number of 100 of 1926. The high of 1929 of 235.4 had dropped to a high of 115.1 in 1931, and a low of almost exactly 50 per cent. of the high, at 58.8. The 1932 range of 62.9 as a high and 38.6 as a low had recovered substantially in 1933 to a high of 97.7 and a low of 49.9. The high of 1934 was 99.0 (just under the index of 1926), while the low did not dip under 82.8. Even the high of 1934 was not much more than 40 per cent. of the high of 1929.

Among the individual groups of securities, the pulp and paper stocks showed the greatest sustained weakness, with little recovery even in 1934 from the extreme low of the depression. The average of 10.8 for the final week of 1934 was less than 11 per cent. of the 1926 level and only 9 per cent. of the 1929 high for this group of 118.2. The extreme low was 1.4 in 1932 but even in 1933 these securities dipped to 2.5 or 1/40 of the base of 1926. The high of 1934 was 13.4 and the low 7.6. The market range reflected the unprofitable operating conditions of the industry, with a number of the companies in the hands of receivers, and the price level at the lowest of the depression period. Even a sharp increase in production and sales of Canadian newsprint in 1934 failed to find much reflection in the market recovery either of stocks or bonds.

Besides the pulp and paper group, several others showed lower averages in December, 1934, than the base of 100 for the year 1926. Transportation, which covered the Canadian Pacific Railway and Canada Steamships, had an average of 29.1 for December, comparatively little above the low level of

20.2 reached in 1932. The December level was less than one-fifth the high of 160.6 touched in 1929. In the case of both companies, no dividends were paid on preferred or common during 1933 or 1934, and a fair recovery in earnings in the latter year failed to bring much improvement to the stocks. Utility stocks controlled in Canada, but connected with companies outside—such as Brazilian Traction and Twin City—showed an average of only 39.4 for December, 1934, as against the base of 100 for 1926 and a high of 258 for 1929. The power and traction stocks had an average of only 58.5 for December as against 192.7 as the peak of 1929, and averaged considerably lower in 1934 than in 1933, being influenced partly by the movement in Quebec Province in favour of stricter supervision and, to some extent, to municipalization, and, partly, by the drive of the United States Government against rates for electricity which caused a sharp decline in similar stocks on United States exchanges. The textile and clothing group, with a December, 1934, average of 74.3 as against the 1926 average of 100, showed little change during the year. The milling stocks, also at 71.0, were down from the average for the year and contrasted with a 1929 high of 267.4. Conditions in the industry were mixed in 1934.

Beverage stocks, at a December average of 93.6, were far below the January average of 163.6 and the 1933 high of 241.9. The distilleries section of these, such as Hiram Walker-Gooderham & Worts, Canadian Industrial Alcohol and Distillers-Seagrams, was hurt by the disappointment in the volume of exports of spirits to the United States on the repeal of the Volstead Act.

The oils held the strongest relative position in relation to 1926 averages of any group, the December, 1934, average being 177.8 compared with 190.0 in 1926 and 416.8 in 1929. Probably the earnings of this group showed a better sustained average throughout the period of the depression and the early recovery than in any other case, maintaining dividends and, in 1934, showing increases in two instances. The iron and steel group were well above 1926 levels for most of the year, as were those of food and allied products (1934 range, 142.4-122.0). The following table indicates the various fluctuations of stocks as registered in Index numbers:

Numbers		Iron, Steel	Milling	Pulp, Paper	Textile, Clothing	Beverages	Oils	Power, Traction	Grand Total
Average	1926....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
High	1929....	383.8	267.4	118.2	110.1	201.4	416.8	192.7	235.4
Low	1929....	196.1	191.9	73.1	74.5	89.1	248.3	131.1	155.8
High	1930....	231.3	192.5	73.4	77.2	95.7	296.6	163.3	178.6
Low	1930....	134.5	97.9	22.3	56.7	59.9	167.5	108.4	100.6
High	1931....	146.3	107.9	24.6	60.6	77.6	186.8	128.4	115.1
Low	1931....	71.5	47.8	9.0	40.2	40.6	98.0	74.6	58.8
High	1932....	72.0	61.2	9.0	40.2	48.5	110.6	74.5	62.9
Low	1932....	44.0	34.9	1.4	24.0	27.3	78.3	37.5	38.6
High	1933....	131.4	87.6	12.4	75.1	241.9	168 4	74.4	97.7
Low	1933....	56.9	38.0	2.5	30.7	39.8	87.7	47.7	49.0
High	1934....	128.7	79.5	13.4	78.4	195.5	184.3	72.8	99.0
Low	1934....	82.8	63.9	7.6	60.4	94.7	141.8	57.1	82.8

Mining List Helped by Golds. The index numbers of 23 mining stocks (Dominion Bureau of Statistics) reached a peak of 143.3 for the year 1934 in August having opened at 108.9 in January and closed at 124.9 in December. The range in 1933 had been from a high of 116.7 to a low of 65.1. The greatest advance in 1934 was registered by the gold stocks as a result of the sharp advance in the price of gold in terms of Canadian currency. The gold stocks moved from an average of 100.4 in December, 1933, to a high for 1934 of 140.1 in August, closing with an average of 124.7 in December. The base metals group showed little net gain for the year, moving from 127.1 in December 1933 to a 1934 high of 167.6 in June and closing with an average of 129.6 for December, 1934. The following table covers the record from 1928, which saw the peak of both the gold and base metals, to 1934 inclusive:

		Gold	Base Metals	Total Index
Average	1926	100.0	100.0	100.0
High	1928	137.2	322.2	138.6
Low	1928	75.4	105.7	107.3
High	1929	89.7	318.0	127.9
Low	1929	52.7	157.3	72.6
High	1930	66.7	213.1	88.3
Low	1930	53.3	56.4	56.7
High	1931	79.5	108.3	85.4
Low	1931	54.4	49.9	54.8
High	1932	63.1	82.3	64.8
Low	1932	48.5	42.5	46.8
High	1933	111.9	144.1	116.7
Low	1933	64.9	68.2	65.1
High	1934	140.1	167.6	143.3
Low	1934	103.1	125.0	107.3

Montreal Stock Exchange; Montreal Curb Market. Where the year 1933 had seen a substantial recovery in activity on the Montreal Stock Exchange, with an increase in the volume of transactions from 2,897,388 to 7,633,817, exceeding by some 2,400,000 shares even the total for 1931, trading in 1934 fell back again and the total of 4,616,120 transactions was down over 3,000,000 from 1933. In the latter year there had been an outburst of business in May, June and July, reaching its peak in the last month of the year, preceding by a few weeks in its inception the revival in business in general. Indeed, the July (1933) total of 1,852,012 shares had to go back to November, 1929, for a parallel in volume. This (1929) total, however, with that of the preceding month, represented the intensity of market liquidation that followed the "crash" of 1929. In 1934, the first quarter saw a fair volume, but this soon fell off and a lethargy (similar to that of the New York Stock Exchange, and influenced by it in a large measure) took hold of the Montreal Stock Exchange. With the inactivity went a tendency towards a sluggish movement in price levels of stocks—neither up much, nor down. The peak of prices was reached in April, stimulated by the currency deflation movement in the United States, and the gradual advance in the Government quotation for gold. Thereafter the stock market movement was reactionary, declining sharply to the end of July, when half the early advance of the year had been lost. August saw some recovery and the later months witnessed a fluctuation in prices and a slight year-end rally. Among 159 stocks traded in during 1934, 97 registered gains between Jan. 1 and Dec. 31; 8 closed without change; 32 showed losses; and the balance were not dealt in in "board" lots.

The most active stock on the Montreal Exchange in 1934 was International Nickel with 553,281 shares dealt in, and a net advance of 1⅞ points. Brazilian Traction was second, with 381,482 shares, and a net loss of ⅜. Curiously enough, in 1933 the two stocks had reversed positions, Brazilian Traction leading with 1,127,271 shares and International Nickel coming second with 1,016,027 shares. That in 1933 the relative totals were so much higher provides an index of the decline in trading in 1934. Montreal Light, Heat & Power Consolidated recovered its old-time place with the other two in trading of 287,693 shares, for a net loss of 2¼ points (in 1933, 365,357 shares). Hollinger Consolidated Gold Mines introduced a mining security into the list of industrial leaders in 1934, coming fourth with 248,031 shares and an advance of $8.15 a share. Canadian Industrial Alcohol was fifth with 234,227, off 12½ points (in 1933, third with 949,099 shares). Canadian Pacific Railway came sixth with 232,658, off 1⅛ points. Next in order came Dominion Steel & Coal "B", 222,078 shares; Shawinigan Water & Power, 215,691; McColl-Frontenac Oil, 162,459; National Breweries, 154,349; Canada Cement, 122,175; St. Lawrence Corporation, 108,338; Dominion Bridge, 105,249; and Massey-Harris, 103,263 shares. The most spectacular movement of the year 1934 was that of Dominion Coal preferred, which rose from 8 to 123 for a net gain of 115 points. The greatest loss was shown by Canada Iron Foundries (an extremely inactive stock), from 70 to 20½. The following is a record of sales, 1928-1934:

(Shares)	1934	1933	1932	1931	1930	1929	1928
January	722,150	201,133	127,861	377,241	988,789	4,173,257	1,517,595
February	681,466	281,197	137,867	706,607	830,534	2,037,891	1,274,280
March	549,182	207,529	180,881	605,696	1,133,969	2,157,613	1,393,589
April	444,367	486,726	187,643	477,053	1,601,864	1,117,477	1,603,615
May	313,343	1,077,585	205,939	851,426	1,088,587	1,287,879	1,727,793
June	244,643	1,570,805	178,644	528,093	1,389,470	766,813	1,214,858
July	237,972	1,852,012	248,569	245,845	308,399	928,841	700,127
August	279,144	414,966	547,103	169,400	558,387	2,103,138	924,940
September	185,206	433,747	510,298	437,503	817,409	1,854,675	900,422
October	255,545	399,022	203,529	308,888	1,350,604	3,609,402	2,308,349
November	385,780	370,525	195,357	431,758	446,867	2,077,720	3,217,754
December	317,322	338,570	149,500	125,308	532,593	1,088,757	2,206,717
Totals	4,616,120	7,633,817	2,873,191	5,264,818	11,047,472	23,203,463	18,990,039

The volume of sales on Montreal Curb Market in 1934 was down nearly 30 per cent. in industrial stocks, from 2,588,182 shares in 1933 to 1,881,530. The active trading in the "junior" and "senior" gold stocks, however, resulted in a heavy advance in the mining list for 1934, with a total of 13,470,803, as compared with 8,729,555 shares in 1934. The totals for 1932 had been 1,123,-854 industrial and 4,320,812 mining shares. The most active industrial stock in 1934 was Imperial Oil, with 297,004 shares, up 4 points (in 1933, 443,286 shares). The second in activity was Walkerville Breweries, 295,504 shares, up 15 cents; third, Price Bros., 225,295 shares; fourth, International Petroleum, 148,694, up 10⅞ points; and next in order: Consolidated Paper, 136,405 shares; Brewing Corporation, 133,154; Distillers-Seagrams, 121,780; Abitibi, 114,799; Associated Oil, 108,050; and International Utilities "B", 103,195. In the mining list the most active stock was Duparquet with trading in 2,996,426 shares; second, Lebel Oro, 2,441,665; third, Stadaconna, 2,095,442; fourth, Don Rouyn, 1,926,400; fifth, Quebec Gold, 1,512,355; sixth, Cartier-Malartic, 1,457,250; seventh, Parkhill, 1,233,760; and eighth, Sullivan, 1,016,-400 shares. Among the advances in price levels of mining stocks during 1934 were: Lake Shore, up $11.25 a share; Dome Mines, up $4.25; Bulolo Gold, up $10; Coniaurum, up $2.14½; International Mining, $1.40; McIntyre-Porcupine, $3.75; Siscoe, $1.17, and Wright-Hargreaves, in a gain of $2.45. The heaviest decline was Teck-Hughes, down $1.76.

The most active mining stock on the Curb in 1933 was Siscoe with 2,113,-008 shares; Sullivan Gold came next with 2,108,721; Parkhill was third with 1,690,998; and Arno followed in fourth place with 1,278,850. In 1934 Siscoe came ninth in the list with 930,155 shares.

Monthly Sales, 1934-1933

Montreal Stock Exchange and Montreal Curb Market

	1934			1933		
	Industrials	Mines	Bonds	Industrials	Mines	Bonds
January	1,215,514	1,279,880	$ 554,820	462,060	3,687,391	$ 755,065
February	1,072,405	3,371,725	517,450	393,957	3,062,404	1,003,585
March	786,738	2,918,394	517,745	392,512	1,209,466	457,185
April	774,371	3,921,868	373,105	670,026	1,299,959	699,025
May	554,951	1,504,732	366,975	1,110,571	1,933,980	696,960
June	386,434	1,853,247	249,800	2,233,507	1,972,439	801,500
July	386,737	1,319,192	337,690	3,424,968	1,756,213	836,888
August	366,570	1,347,769	280,850	778,879	878,287	286,885
September	267,379	865,356	308,675	713,221	1,041,284	444,205
October	387,279	1,142,825	414,505	609,250	1,163,646	435,010
November	566,992	1,217,478	776,560	579,263	1,074,419	405,690
December	475,874	879,196	421,470	515,345	557,654	315,875
Total	7,241,244	21,621,662	$5,119,645	11,883,559	19,637,142	$7,137,873

Canadian Commodity Exchange Inc. was organized under the sponsorship of the Montreal Stock Exchange, and commenced trading in silver futures on Oct. 22, 1934.. A summary of silver sales and price ranges follow (open, high and low figures are based on actual trades, while closing figures represent the market on the last day of the year):

Sales	Month	Open	High	Low	Close
587	December	52.97	55.80	52.00	54.25B
28	January	53.35	55.05	53.10	55.05B
46	February	54.10	56.15	54.03	55.25N
468	March	54.05	56.80	53.35	55.50B
25	April	54.75	57.10	54.75	55.75N
396	May	54.70	57.35	54.25	56.00B
12	June	55.00	56.20	55.00	56.15B
81	July	54.00	56.75	54.00	56.45B
15	August	56.75	56.75	56.65	56.70N
53	September	55.05	57.50	54.85	57.00B
4	October	56.10	56.10	56.10	57.35N
25	November	58.20	58.20	57.45	57.70N

NOTE.—(B) Bid; (N) Nominal.

December future closed out on Dec. 28 against which a total of 114 transferable notices were issued; or deliveries were made against 19.42 per cent. of all transactions in that future.

Stocks of silver in licensed vaults of the Exchange on Jan. 28, 1935, totalled 3,496,445 ounces.

At the Annual Meeting of the Montreal Stock Exchange on May 17, 1934, the following were elected to the Governing Committee: Douglas S. McMaster (Chairman), F. S. Mathewson (Vice-Chairman), Grant Johnston (Secretary-Treasurer), H. J. Child, J. R. Donaldson, Maurice Forget, J. D. Herdt, H. C. MacDougall and C. N. McCuaig.

The Annual Meeting of the Montreal Curb Market was held on May 18, 1934, and the following were elected to the Board of Management: C. N. McCuaig (Chairman), J. D. Macpherson (Vice-Chairman), A. E. D. Tremain (Secretary-Treasurer), W. H. Dean, A. E. MacMartin, P. E. Ostiguy, W. W. Thompson, G. H. Turpin and D. S. Yuile.

The Merger of Toronto and "Standard" Exchanges. One of the most important events of 1934 in connection with Canadian stock exchanges was the consolidation of the two Toronto bodies, the Toronto Stock Exchange and the Standard Stock and Mining Exchange. Following upon extended negotiations, meetings of members of the two exchanges were held on Dec. 5, 1933, for the purpose of considering proposed terms for the amalgamation. Ratification at this meeting by the Toronto Exchange was followed on Dec. 12 by a unanimous decision given in favour of the union by members of the Standard. A General Committee was appointed to carry out the terms of the merger, consisting of Harold Franks, H. B. Housser, F. G. Lawson and E. Gordon Wills, representing the Toronto Exchange, and G. W. Nicholson, N. C. Urquhart and Manning Doherty representing the Mining Exchange. On Feb. 5, 1934, the newly organized consolidated body, continuing the name "The Toronto Stock Exchange," opened for business. Under arrangement, industrial stocks were all combined in what was known as the "Industrial" Section, and mining stocks in "Mining" Section—the latter to be dealt in temporarily in a separate building, the old Board Room of the Standard Stock and Mining Exchange. Reports of the combined operations, however, were carried on a single ticker. In a statement issued by the Joint Committee, it was indicated that, based on records for 1932 and 1933, the amalgamated Toronto Stock Exchange would be one of the leading mediums for the exchange of securities of all types on the Continent. Indeed, the combined figures for Toronto placed it second in the list, the New York Stock Exchange leading in 1932 with 425,234,294 shares dealt in, as against the combined total for Toronto of 81,946,009, with New York Curb coming third with 57,159,897 shares, and Chicago fourth with 15,642,000 shares. For 1933, New York led with 654,816,452 shares, and the combined Toronto figures were second with 267,719,131 shares; New York Curb, third with 100,920,771; and Chicago, fourth with 19,288,800. The values for 1933 of share transactions showed a total of $534,568,519 for the combined Toronto and Standard, the Standard contributing $314,923,081 and the former Toronto Stock Exchange $219,544,438. The combined listings of the two Exchanges represented 586,370,-

159 shares consisting of 457,147,141 mining and 129,223,018 industrial. As at the beginning of 1934, quoted values of all shares registered on the Industrial Section amounted to $2,133,656,053, while those of the Mining Section were valued at $979,547,013—a total of $3,113,202,066. The officials chosen for the Consolidated Exchange at the first Annual Meeting on June 16, 1934, were as follows: President, Harold Franks; Vice-President, G. W. Nicholson; Secretary, N. C. Urquhart; Treasurer, F. G. Lawson; Committee, H. B. Housser, Fred J. Crawford, Manning Doherty and E. Gordon Wills. The combined organization had a membership of 113. The Toronto Stock Exchange had been in operation for 62 years, having been organized in 1872. The main purpose of the consolidation was to bring together two already extensive organizations in order that the operations might be co-ordinated and the single trading body become relatively more important amongst the world's stock exchange organizations.

The initial year of trading of the consolidated Toronto Stock Exchange makes it impossible to continue the comparison of separate yearly figures for the Toronto Stock Exchange and the Standard Stock and Mining Exchange that appeared in previous volumes of *The Canadian Annual Review*. Combined totals, however, were still available for purposes of comparison and these showed that in 1934 transactions of industrial and mining stocks on the Toronto Exchange amounting to 341,345,485 shares compared with a combined total of the two Exchanges in 1933 of 265,170,629, a gain of over 30 per cent. The value of mining shares traded in in 1934 was $246,348,493 as compared with the value of the shares traded in on the Standard Stock and Mining Exchange in 1933 of $314,897,140. The total number of industrial shares traded in on the Toronto Stock Exchange during 1934 was 8,409,413, with by far the heaviest volume in the first 3 months. The following tables cover (1) the complete monthly record of industrial and mining shares on the consolidated Toronto Stock Exchange for each month of 1934 and (2) the ten most active stocks sold in the same year:

	Mining Shares	Mining Values	Industrial Shares	Industrial Values	Total Shares	Total Values
January	29,114,193	$ 18,100,306	1,322,941	$ 26,534,045	30,437,134	$ 44,634,351
February	36,926,133	22,432,773	1,094,475	24,355,747	38,020,608	46,788,520
March	65,990,790	42,741,413	1,131,545	22,821,316	67,122,335	65,562,729
April	60,614,259	37,054,681	839,344	16,424,802	61,453,603	53,479,483
May	22,573,766	18,606,267	606,243	14,882,228	23,180,009	33,488,495
June	20,629,288	17,590,242	427,656	8,734,829	21,056,944	26,325,071
July	23,938,527	23,272,206	513,829	8,635,855	24,452,356	31,908,061
August	19,691,701	16,254,418	370,614	7,242,725	20,062,315	23,497,143
September	15,410,178	14,361,787	305,271	5,840,757	15,715,450	20,202,544
October	14,480,489	14,523,867	437,732	8,630,408	14,918,221	23,154,275
November	13,335,187	11,875,709	693,221	12,780,713	14,028,408	24,656,422
December	10,205,444	9,535,824	666,542	11,396,561	10,898,665	24,625,422
Total	332,909,955	$246,349,493	8,409,413	$168,279,986	341,345,485	$418,320,327

Ten Leading Stocks in 1934

Nickel	902,469	Bobjo	7,167,398
Distil-Seag.	726,985	God's Lake	4,910,212
Ford "A"	506,717	Greene Stabell	4,488,018
Walkers com.	592,636	Siscoe	3,143,172
Imperial Oil	436,997	Teck-Hughes	2,380,161
Brew. Corp.	436,697	San Antonio	1,739,430
Brew. & Dist.	388,736	Little Long Lac	1,172,097
Int. Petroleum	373,967	Reno	1,146,750
Brazilian	305,343	Wright-Hargreaves	1,087,190
C.P.R.	236,373	Hollinger	866,336

For purposes of record, it should be stated that the total trading on the old Toronto Stock Exchange for 1933, including listed and Curb stocks, was 10,676,056, as compared with 3,240,478 in 1932; 5,575,205 in 1931; 9,185,-377 in 1930, and with 16,056,512 in 1929. The following table shows sales in 1933:

Toronto Stock Exchange—Sales, Industrial and Mining

	Mining Sales	Mining Values	Industrial Sales
January	18,777,251	$10,142,654	842,661
February	20,157,268	21,757,062	647,508
March	11,021,740	9,596,683	693,315
April	11,194,513	21,791,703	670,710
May	27,340,309	40,667,846	662,915
June	41,403,233	51,994,402	2,008,247
July	38,080,917	46,861,676	2,400,207
August	22,792,661	19,898,916	1,519,087
September	20,075,255	28,415,850	575,267
October	21,096,116	32,489,150	238,797
November	11,958,773	18,436,916	271,596
December	10,596,537	12,844,282	145,746
	254,494,573	$314,897,140	10,676,056

The total number of shares traded in on the Standard Stock and Mining Exchange from 1926 to 1933 inclusive was as follows:

	Sales	Value		Sales	Value
1933	254,494,575	$314,897,140	1929	299,809,554	$710,308,184
1932	79,731,118	54,745,103	1928	333,538,932	614,808,561
1931	121,252,065	85,730,713	1927	320,777,990	250,897,081
1930	89,853,672	139,870,964	1926	129,753,966	125,175,876

Life Insurance In Canada, 1933 $6,247,548,167

Business of the life insurance companies operating in Canada during 1933—including not only Canadian but British and foreign life companies—showed a decline in volume for the fourth year in succession. The net amount of new business paid for in cash was $578,593,659. This compared with $653,249,366 in 1932, with $782,716,064 in 1931, with $884,749,748 in 1930 and with $978,141,485 in 1929. The 1929 total marked the peak to date of the writing of life insurance in Canada and the sharp decline to 1933 represented $399,547,826, or over 40 per cent. In one other respect the business of 1933 also showed a recession: as in 1932, the amount of insurance in force at the end of 1933 showed a decline for the year amounting to $224,060,379, from $6,471,608,546 to $6,247,548,167. In 1932 there had been a reduction of almost $151,000,000 from the total at the end of 1931. In 1931 and in all previous years on record, the total amount had shown an increase over the preceding year. Only in 1932 and 1933 had the total amount of new business written been more than offset by maturities and lapses, so heavy had been the strain on the maintenance of life insurance premiums by policyholders. Of the total of new business paid for in cash in 1933, group business amounted to $13,349,049 as compared with $15,990,768 in 1932, with $38,433,384 in 1931, with $59,169,346 in 1930 and with $77,503,209 in 1929.

The loss in the net total of assurance in force at the end of 1933 was accounted for partly by lapses during the year to an amount of $365,371,085—representing in itself 55.82 per cent. of the gross new business written. These lapses, however, were substantially less than in 1932, when they amounted to $411,222,211, or 55.19 per cent. of the gross new business. The second factor was the surrender of $420,356,839 of assurance or 64.22 per cent. of the gross new busi-

ness written. This total was much higher than that of 1932, however, when the amount surrendered was $364,285,951 or 48.90 per cent. of new business written. The total lapsed and surrendered business in 1933 was $785,727,924 or 120.40 per cent. of the gross new business written. In 1932 the combined total had been $775,508,162, or 104.09 per cent. of business written. In contrast to these two records, lapses and surrendered assurance in 1931 had amounted to only $654,700,063 or 74.54 per cent.—leaving a net gain of 25.46 per cent. for the year; in 1930 the total had been only 56.93 per cent., and in 1929 only 41.59 per cent. As compared with net decreases in assurance in force during 1932 and 1933, there had been a net gain in 1931 of $130,270,296; of $335,023,987 in 1930, and of $549,616,584 in 1929. Death claims in 1933 amounted to $43,735,584 as against $45,394,243 in 1932.

	New Assurance Paid For (Gross)	Assurance In Force	Death Claims	Premium* Income
1933	$578,593,659	$6,247,548,167	$43,735,584	$214,758,739
1932	653,249,366	6,471,608,546	45,394,243	219,159,475
1931	782,716,064	6,622,267,793	43,082,004	228,504,912
1930	884,749,748	6,492,286,194	42,147,970	222,689,286
1929	978,141,485	6,157,262,207	39,797,697	212,898,456
1928	918,742,064	5,607,645,623	35,029,860	194,943,745
1927	838,475,057	5,044,408,834	28,150,247	174,731,364

*Life assurance premiums and annuity considerations.

Canadian, British and Foreign Companies. Canadian life insurance companies continued to underwrite well over 60 per cent. of the Canadian business. Out of a total of new business of $578,593,659 written in 1933. Canadian companies were credited with $353,733,137 (as against $399,498,023 in 1932), with British companies showing a total of $13,930,045 (as against $13,054,139 in 1932), while the total for foreign companies of $210,930,477 for 1933 compared with $240,697,204. Out of a total of assurance in force in Canada at the end of 1933 of $6,247,548,167, Canadian companies held $4,160,271,570; British companies, $113,810,109; and foreign companies, $1,973,466,488. As the accompanying table shows, each class lost in total in force during the year. Premium income for Canadian companies was $133,693,648 as against $138,805,014 in 1932; that of British companies, $3,671,235, compared with $3,821,016, and for foreign companies, $69,588,763, where in 1932 the total had been $73,506,927.

		Premium Income	New Assurance Paid For (Net)	Assurance In Force
Canadian Companies,	1933	$133,693,648	$353,733,137	$4,160,271,570
	1932	138,805,014	399,498,023	4,311,747,692
	1931	145,990,909	491,340,864	4,409,707,938
	1930	142,059,595	594,704,790	4,319,373,209
	1929	137,319,487	645,207,646	4,051,612,499
	1928	124,653,424	606,902,108	3,672,010,075
	1927	111,644,539	544,385,411	3,277,040,348
British Companies,	1933	3,671,235	13,930,045	113,810,109
	1932	3,821,016	13,054,139	115,831,319
	1931	3,952,106	13,735,682	119,259,988
	1930	4,924,980	10,769,103	117,410,860
	1929	4,000,064	11,138,775	116,545,637
	1928	4,036,669	12,312,500	115,340,577
	1927	3,963,695	15,414,004	113,883,716
Foreign Companies,	1933	69,588,763	210,930,477	1,973,466,488
	1932	73,506,927	240,697,204	2,044,029,535
	1931	75,208,993	277,651,018	2,093,588,564
	1930	73,539,152	279,275,855	2,055,502,125
	1929	69,408,928	321,801,064	1,989,104,071
	1928	64,255,078	299,527,456	1,820,979,858
	1927	58,124,125	278,675,642	1,653,474,770

The following tables show the expansion of life insurance in Canada:

Assurance Effected in Each Year	Canadian	British	Foreign	Total
1875	$5,077,601	$1,689,833	$8,306,824	$15,074,258
1885	14,691,195	3,748,647	8,327,646	26,767,488
1895	27,680,372	3,337,638	13,083,888	44,101,898
1905	66,414,264	3,866,980	34,438,341	104,719,585
1915	118,283,349	5,563,143	94,358,935	218,205,427
1925	443,895,626	17,118,928	251,077,335	712,091,889
1930	594,704,790	10,769,103	279,275,855	884,749,748
1931	491,340,864	13,735,682	277,639,518	782,716,064
1932	399,498,023	13,054,139	240,697,204	653,249,366
1933	353,733,137	13,930,045	210,930,477	578,593,659

Total Assurance in Force at End of Year	Canadian	British	Foreign	Total
1875	$21,957,296	$19,455,607	$43,596,361	$85,009,264
1885	74,591,139	25,930,272	49,440,735	149,962,146
1895	188,326,057	34,341,172	96,590,352	319,257,581
1905	397,946,902	43,909,211	188,578,127	630,334,240
1915	829,972,809	58,087,018	423,556,850	1,311,616,677
1925	2,672,989,676	108,565,248	1,377,464,924	4,159,019,848
1930	4,319,373,209	117,410,860	2,055,502,125	6,492,286,194
1931	4,409,707,938	119,259,988	2,093,588,564	6,622,556,490
1932	4,311,747,692	115,831,319	2,044,029,535	6,471,608,546
1933	4,160,271,570	113,810,109	1,973,466,488	6,247,548,167

"Outside" Business of Canadian Companies. In 1933 for the second year in succession, the amount of new business of Canadian life companies outside of Canada fell below the domestic total. In 1930 outside business of $692,340,582 compared with $594,704,790 written in Canada; in 1931, the outside total was $541,751,417 as compared with $491,340,864 in Canada. In 1932, however, new assurance paid for outside of Canada had fallen to $317,761,988—as against $399,498,023 in Canada—and in 1933 new business outside, down to $257,821,318, had fallen nearly $96,000,000 below business written in Canada of $353,733,137. Indeed, the 1933 outside total was less than 40 per cent. of that of 1930, which was $692,340,582, as noted above. The business done beyond the boundaries of Canada by Canadian life companies included a large number of countries, among them Great Britain, the United States, Newfoundland, West Indies, Central America, South America, China, Japan, India, South Africa, Egypt and many more. Premium income for 1933 on outside business was $113,077,144 as compared with $127,061,090 in 1932. Total assurance in force outside of Canada was $2,759,581,777 at the end of 1933, as compared with $2,912,973,924 at the end of 1932, and $3,149,689,190 at the end of 1931. The 1933 total of outside assurance compared with $4,160,271,570 in force in Canada. Including domestic and outside assurance, the total in force for Canadian companies at the end of 1933 was $6,919,853,347 as against $7,224,721,616 at Dec. 31, 1932—a decline of almost $305,000,000. The number of policies in force at the end of 1933 was 2,059,073 in Canada as against 2,131,824 one year before; 930,201 outside Canada as against 942,747 at the end of 1932, and a combined total of 2,989,274 as compared with 3,074,571 at Dec. 31, 1932.

Total Business Canadian Life Companies. The table below covers total results inside and outside of Canada for Canadian life companies for the nine years from 1925 to 1933 inclusive.

	Premium Income	New Assurances Paid For (Net)	Assurance In Force
1933	$246,770,792	$611,554,455	$6,919,853,347
1932	265,866,104	717,260,011	7,224,721,616
1931	289,708,160	1,033,092,281	7,559,397,128
1930	273,220,848	1,287,045,472	7,293,815,206
1929	258,392,082	1,319,616,133	6,608,493,113
1928	219,695,507	1,082,367,008	5,719,727,921
1927	189,773,972	900,107,067	4,892,173,689
1926	166,433,775	852,636,509	4,229,047,931
1925	145,924,473	663,806,271	3,722,569,189

Individual Records of Canadian Life Companies. The Sun Life Assurance Company of Canada, again in 1933, as for many previous years,

held first place among the Canadian life companies so far as the largest individual amount of new assurance paid for—$211,735,748, of which $6,359,474 represented group insurance. Second place in the list depends on whether "industrial" insurance is included. Including this, the London Life would be second, with a total of over $93,000,000—of which $41,640,872 was ordinary life; $2,384,800, group insurance; and $49,157,674, industrial insurance. This last class was written by only one other Canadian company, Royal Guardians, although it was largely handled by several United States companies doing business in Canada. It is interesting to note, however, that the London Life, in the industrial department, ran ahead in 1933 of even the Metropolitan Life of New York in its chief branch of Canadian business, its industrial insurance, which amounted to $48,720,234 (as against the $49,157,674 referred to above for the London Life). Taking ordinary life and group alone, the Manufacturers Life stood second in the total of new assurance paid for in 1933 of Canadian companies, with a total of $48,676,285. The Canada Life was third, with $40,477,619; the Mutual of Canada fourth, with $38,881,552; the Great West Life, a close fifth, with $38,665,986; and Confederation Life was sixth, with its total of $32,282,654. In the total of insurance in force, the Sun Life continued its lead with $2,725,367,659, of which $2,408,406,245 was ordinary life. Canada Life was second in the list of Canadian companies, with a total of $725,850,403; the Great West Life third, with $543,391,983; the Mutual of Canada, fourth at $498,572,714; the Manufacturers Life, fifth at $492,119,823; Confederation Life, sixth at $332,641,157, and London Life, seventh with a total of $325,653,564.

Company	New Assurance Paid For	Assurance In Force	Company	New Assurance Paid For	Assurance In Force
Canada Life	$40,477,619	$725,850,403	Manufacturers ..	$48,676,285	$492,119,823
Capital	2,071,773	14,435,932	Maritime	1,411,738	10,076,302
Commercial	860,172	9,650,403	Monarch	6,036,650	50,563,953
Confederation ..	32,282,654	332,641,157	Montreal	5,672,657	33,590,175
Continental	3,369,581	33,684,604	Mutual of Can..	38,881,552	498,572,714
Crown	22,323,971	128,701,497	National of Can.	5,737,264	51,006,711
Dominion	16,571,259	133,745,165	North American..	13,747,226	172,429,711
Dom. of Canada.	1,336,876	6,842,502	Northern	3,891,567	43,474,861
Eaton	2,177,987	23,193,919	Royal Guardians(b)	344,600	2,972,636
Excelsior	9,144,942	83,239,033	Saskatchewan ...	866,736	8,971,799
Great West	38,665,986	543,391,983	Sauvegarde	2,975,859	24,977,319
Imperial	19,869,876	261,294,778	Sovereign	2,307,289	24,091,270
London (a)	44,025,672	325,653,564	Sun Life	211,735,748	2,725,367,659
			Western	1,389,685	7,205,852

(a) Excluding industrial insurance during year of $49,157,674; total industrial in force, $151,158,163.

(b) Excluding industrial insurance during year of $139,421; total industrial in force, $549,399.

Fire Insurance in Canada. For the fourth year in succession the decline in the volume of business and premiums of fire insurance companies doing business in Canada continued throughout 1933. Net premiums written were down from $48,109,407 in 1932 to $42,740,883 for 1933, with a reduction of over $12,000,000 as compared with 1930. Net losses incurred, however, showed a much greater decline than premiums, being down over $8,000,000, from $30,896,493 in 1932, to $22,817,016. It followed, therefore, that the ratio of losses incurred to premiums written was much lower also in 1933, being only 53.38 per cent. as compared with 64.22 per cent. in 1932, 60.23 per cent. in 1931, and 58.21 per cent. in 1930. The gross amount of policies, new and renewed, showed an increase, however, in 1933, over the previous year, being up from $10,339,649,769 to $10,630,270,686. Of the total, Canadian companies carried risks amounting to $1,861,841,398, British companies, $5,267,336,199, and Foreign companies, $3,501,093,089. The net amount of risk, however, showed a decline from $9,301,747,991 in 1932 to $9,012,844,955 at the end of 1933. So far as the ratio of losses incurred to premiums earned is concerned, the ratio of Canadian companies continued lower than that of British or Foreign companies as in 1932. The following table shows the business of Canadian, British and Foreign companies doing fire insurance business in Canada during 1933 and the previous five years:

Year 1933	Net Premiums	Gross Amount At Risk	Net Losses	Loss† Ratio (%)
Canadian Companies	$7,975,622	$1,861,841,398	$3,696,540	48.63
British Companies	18,560,662	5,267,336,199	9,688,917	53.70
Foreign Companies	15,015,851	3,501,093,089	8,262,383	55.90
All Companies, 1933	$41,552,135	$10,630,270,686	$21,647,840	53.38
" " 1932*	46,911,929	10,339,649,769	30,068,923	64.22
" " 1931	51,701,259	10,789,737,477	29,938,409	57.93
" " 1930	52,646,520	10,311,193,608	30,427,968	55.74
" " 1929	56,112,457	10,791,096,165	30,299,839	53.69
" " 1928	57,111,846	9,187,224,958	26,602,925	46.58
" " 1927	53,893,198	8,531,139,424	21,944,984	40.72

†After deducting registered reinsurance. *1932 figures are finally revised.

Fraternal Insurance. In contrast with a reduction in the amount of new business of the life insurance companies in 1933, the records of new certificates issued in Canada in the Mortuary Department by Canadian Fraternal Societies during 1933 showed an increase of nearly $450,000 over 1932, the totals comparing as $7,895,886 and $7,447,664. The 1933 total, however, recovered only a small portion of the decline from the 1931 total of $9,559,293. Foreign Fraternal Societies, however, showed a decline in the amount of new certificates issued from $4,308,350 in 1932 to $3,569,550 in 1933. The total amount of insurance in force in the Mortuary Departments at the end of 1933 was: Canadian Societies, $118,005,740 (as against $122,608,742 at the end of 1932); and Foreign Societies, $52,707,770 (as against $53,237,115). The total for both groups was $170,713,510, as compared with $175,845,857 at the end of 1932; $183,466,589 at the end of 1931; and $186,640,119 at the end of 1930. Premiums paid during 1933 amounted to $2,454,174 for Canadian Societies as against $2,707,106 in 1932, and to $937,230 for Foreign Societies compared with $1,010,579 in 1932. In the Sickness Department premiums received by Canadian Societies amounted to $330,964 as against $355,474 in 1932, and by Foreign Societies to $83,569, as against $99,849—a total of $414,533, compared with $455,323 for 1932. Benefits paid to members in Canada by Canadian Societies in 1933 amounted to $3,564,550 in the Mortuary Department and to $392,397 in the Sickness Department, as compared with $3,474,081 and $432,003 respectively in 1932. Benefits paid by Foreign Societies in 1933 amounted to $901,988 in the Mortuary Department and to $97,802 in the Sickness Department, as against $918,201 and $139,408, respectively, in 1932. Total payments in Canada for Canadian Societies of $3,956,947 and for Foreign Societies of $999,790, made a grand total for both groups for 1933 of $4,956,737, as compared with $4,963,693 in 1932, $4,700,276 in 1931, and $4,816,986 for 1930.

General Production in Canada

A Survey of Production in Canada, issued by the Dominion Bureau of Statistics, October, 1934, estimated the net value of commodities produced in Canada during 1932 as $2,105,000,000, The comparable figure compiled for 1931 was $2,500,000,000, so there was a decline in production in 1932 of $395,000,000, or 15.8 per cent. Inasmuch as wholesale prices declined 9.7 per cent. in 1932, it was pointed out that the decline in volume of production was undoubtedly less than the decline in value. Both prices and volume indicated a slight gain in 1933. Marked increases in these particulars during the first eight months of 1934 pointed to higher levels for general commodity production in that year.

Most of the main branches of industry showed declines in 1932 from the previous year. The net output of central electric stations was, however, an exception, as it registered $128,420,000 in 1932, an increase of 5 per cent. as compared with $122,311,000 in 1931. There was a drop of 33.5 per cent. during 1932 in forestry, combining woods operations and manufacturing processes. Mineral production declined 16.1 per cent. Revenues from fisheries fell off 14.9 per cent., and from trapping 18.6 per cent.

A comparative summary by industries of the value of production for the years 1930 to 1932, inclusive, follows:

Division of Industry	1930		1931		1932	
	Gross $	Net $	Gross $	Net $	Gross $	Net $
Agriculture	1,346,363,659	758,791,743	880,053,884	538,192,000	818,549,921	565,417,704
Forestry	440,352,351	303,145,169	288,674,002	200,650,269	195,025,352	133,401,946
Fisheries	63,743,353	47,804,216	39,654,811	30,517,306	33,665,822	25,957,109
Trapping	9,875,955	9,875,955	8,744,962	8,744,962	7,118,021	7,118,021
Mining	325,184,050	279,873,578	276,365,319	228,029,018	228,948,172	191,228,225
Electric Power	164,833,913	126,038,145	163,321,565	122,310,730	171,630,682	128,420,233
Total Primary Produc'n	2,350,353,281	1,525,528,806	1,656,814,543	1,128,444,285	1,454,937,970	1,051,543,238
Construction	456,995,000	297,046,750	315,482,000	205,063,300	132,872,400	86,367,060
Custom and Repair (a)	123,000,000	85,200,000	97,000,000	71,000,000	78,000,000	57,000,000
Manufactures (b)	3,428,970,628	1,761,986,726	2,698,461,862	1,474,581,851	2,126,194,555	1,170,225,872
Total Secondary Production (b)	4,008,965,628	2,144,233,476	3,110,943,862	1,750,645,151	2,337,066,955	1,313,592,932
Grand Total	5,601,880,583	3,216,746,735	4,157,733,325	2,500,203,902	3,366,510,562	2,104,908,301

(a) Statistics of Custom and Repair Shops, including custom clothing, dyeing and laundry work, boot, jewellery, automobile and bicycle repairing, and custom and repair work by foundries were not collected after 1921. The totals from 1930 to 1932 were estimated according to the percentage change in the data for manufacturing.

(b) The item "Manufactures" includes dairy factories, sawmills, pulpmills, fish canning and curing, electric power production, shipbuilding and certain mineral industries, which are also included in other headings above. The duplication amounting in 1930 to a gross of $757,438,326 and a net of $453,015,547, in 1931 to a gross of $610,025,080 and a net of $378,885,534, and in 1932 to a gross of $425,494,363 and a net of $260,227,869, is eliminated from the grand total.

A comparative summary of the value of production by Provinces is appended herewith (Production statistics for the years 1933 and 1934 will be found in the Section, "Statistical Survey" and detailed comparative reports will be found elsewhere in this Section under the respective headings):

	1930		1931		1932	
	Gross Value $	Net Value $	Gross Value $	Net Value $	Gross Value $	Net Value $
P.E.I.	25,436,519	16,635,118	17,278,144	11,924,262	15,943,467	10,264,666
N.S.	174,266,197	114,402,720	136,853,405	94,507,795	102,795,156	70,917,559
N.B.	127,022,481	78,772,589	100,055,694	64,307,571	84,667,778	54,063,723
Que.	1,500,303,451	892,076,349	1,142,897,391	686,817,209	919,858,072	557,659,317
Ont.	2,450,173,078	1,380,458,865	1,832,254,080	1,083,600,274	1,459,572,816	884,801,710
Man.	273,174,256	142,170,105	199,685,515	113,396,393	164,911,278	100,453,108
Sask.	296,156,731	134,134,319	173,336,852	82,691,410	172,862,819	117,858,748
Alta.	329,898,695	184,659,449	255,519,947	164,947,717	214,177,072	157,015,824
B.C.	420,984,045	268,972,091	295,592,071	193,751,045	228,538,264	148,689,806
Yukon	4,465,130	4,465,130	4,260,226	4,260,226	3,183,840	3,183,840
GRAND TOTAL	5,601,880,583	3,216,746,735	4,157,733,325	2,500,203,902	3,366,510,562	2,104,908,301

1934 Comparative Production Summary. A brief review of general production in Canada during the year 1934 by the Dominion Bureau of Statistics in February, 1935, showed that there had been a marked gain in practically all the main groups. Measured by an index, based on 29 factors, the level of operations of manufacturing production in 1934 was greater than in any year since 1930; the index on the base of 1926 averaged 93.4 in 1934 as compared with 79.9 in 1933, a gain of 16.9 per cent., and a gain in the index of employment in manufacturing plants was from 80.9 in 1933 to 90.3 in 1934, amounting to 11.6 per cent.; the advance in the prices of fully and chiefly manufactured commodities was limited to 4.9 per cent. Following the marked gain culminating in August, 1933, some further expansion was shown in the forestry group before the end of 1934: while the price of newsprint remained at depression levels the output showed a marked gain of 28.8 per cent.; production was 2,598,000 tons as compared with 2,016,742 in 1933; and the output was second only to that of 1929. In the construction industry, while contracts awarded at $125,812,000 showed a gain of 29.3 per cent. over the preceding year, the new business obtained by the industry was at a low level as compared with the years from 1923 to 1929; building permits during 1934 were $26,828,000 as compared with $21,776,000 in 1933, a gain of about 23 per cent. As to the hydro-electric power group, although no new large water power undertakings were initiated in 1934, work was continued on several developments already under construction: net new installations of about 214,965 horse-power were brought into operation during 1934, the total instalments at the end of the year being 7,547,000 horse-power. Electrical power output in 1934 reported a gain of 20.6 per cent. over the preceding year. Even after deduction of exports and deliveries to electric boilers, the output of 1934 reached a new high point in the history of the industry, the gain over 1930 after these deductions being about 4.6 per cent. In the railway and shipping group the increase in the freight movement was 14.4 per cent., total

loadings being about 2,325,000 cars against 20,032,000 in 1933. Canadian National Railway Lines (Canadian lines) showed a gain of 11.5 per cent. in gross operating revenues during the first eleven months of 1934, while the Canadian Pacific Railway Company recorded an increase of 10.2 per cent. in 1934 over the preceding year. The aggregate cargo tonnage of five ports of Canada in the first eleven months of 1934 was 13,146,000 tons as compared with 12,184,000 tons in the same period of 1933, an increase of 7.9 per cent. The pronounced gain in external trade was a feature of the economic betterment of the year 1934: total exports of Canadian merchandise were $659,900,000 as compared with $537,800,000 in the preceding year, a net increase of 22.7 per cent. Exports of coin and bullion not included with merchandise exports also scored a remarkable advance, due in the main, to the higher prices secured for gold bullion. The value of imports in 1934 showed a gain of 28.0 per cent., advancing from $401,200,000 in 1933 to $513,471,000 in 1934. The favourable balance of trade, taking no account of the outward shipment of new gold bullion, was $146,000,000, an increase of 7.2 per cent. over 1933. In the iron and steel industry a production of 406,995 long tons of pig iron was shown in 1934 as compared with 229,076 in the preceding year, a gain of 77.7 per cent.; the output of steel ingots at 758,757 long tons recorded an increase of 86.0 per cent. The index of steel production at 98.0 was greater than any year since 1930, while pig iron production recorded a gain over 1932 and 1933. In the automobile group the output during 1934 was 116,890, a gain of 77.5 per cent. over the preceding year. The value of mineral production in 1934 surpassed not only the preceding year but with the exception of 1929 and 1930 exceeded all other years in the history of the industry. The estimated value was $278,337,000 in 1934, an increase of 26 per cent. over 1933. The value of the Canadian gold output in Canadian funds was $102,242,000 as compared with $84,350,000 in the preceding year, the price averaging $34.49 per fine ounce as against $28.60 in 1933. Copper output showed an increase of 21 per cent. and the value totalled $26,881,000 in 1934 as compared with $37,948,000 in 1930. Nickel showed an output of 56 per cent. over 1933 and 18 per cent. over 1929. Coal production at 13,891,000 long tons showed a gain of 16.7 per cent. The output of cement in 1934 was valued at $5,729,000 as compared with $4,537,000 in 1933.

Agriculture: Values and Production

The agricultural situation in Canada was the subject of two Surveys published by the Department of Agriculture during 1934—one in March and the other in December. The Surveys were the initial results of an annual study of the agricultural situation arranged for by the Executive of the National Advisory Committee on Agricultural Services. In the March report it was pointed out that, while the Survey had disclosed grounds for some optimism concerning the future, the forecasting of economic recovery and the trend of prices had not been considered

the primary purpose of the work. It was rather an effort to present basic information and, within certain limits, to offer helpful interpretations. In the December report it was indicated that there was prospect of continuation of recovery in 1935. Wholesale prices had risen in Canada and abroad, prices of most farm products were higher, business had become more active and there appeared to be an increase in purchasing power from which farm products should benefit. The importance of the domestic market for farm produce was stressed. It was calculated that in recent years the domestic market had absorbed approximately 85 per cent. of Canadian farm produce. It had come to be almost the sole outlet for animal products, with the exception of bacon, and there were only three farm products, namely, wheat, apples and cheese, of which more than 50 per cent. was exported. Consequently, an examination of domestic purchasing power and supplies of agricultural products available for consumption was essential. Regarding the various branches of agricultural production farmers were advised: to refrain from increasing their acreage of common or bread wheat in 1935, and wherever practicable to divert to other uses some of their land; to sow a full acreage of oats; to increase moderately the acreage in flaxseed, buckwheat, rye and corn; to maintain at existing levels the production of seed grain from inspected crops; to produce clover, alfalfa and grass seed for their own use; to note that feed reserves in 1935 would be considerably below normal; that world production of beef was on the decline; that a further improvement in the quality of bacon was required; that the prices of lamb could be maintained only on the basis of existing quality levels; that the opportunity for poultry products in England stood second only to that of bacon; that Canadian dairymen could improve their economic position by a careful culling of unprofitable cows and by better herd management; that a freer movement of apples to the United Kingdom might be expected and that no expansion in the acreage of small fruits was anticipated at the existing level of prices; that increase in the sale of canned goods offered the most hopeful outlet for vegetables; that a reduced acreage of potatoes in the surplus-producing districts would tend to put the industry on a sounder footing; that any increase in the planted area of tobacco would be inadvisable; that Canadian honey had improved its position on the English market and that to hold that position producers should offer only a well-graded, high quality article; and that the outlook for the maple industry was brighter than it had been for many years.

The gross agricultural wealth of Canada in 1933, according to the estimate of the Dominion Bureau of Statistics, issued in 1934 (latest Report available) was approximately $5,230,994,000, as compared with $5,209,760,000, the revised estimate for 1932. The various subdivisions of agricultural wealth in 1933 were as follows: lands, $2,032,769,000; buildings, $1,342,924,000; implements and machinery, $650,664,000; live stock, $403,135,000; poultry, $33,456,000; animals on fur farms, $7,262,000; agricultural production $760,784,-

000. Among the various Provinces the total wealth was distributed as follows: Ontario, $1,489,314,000; Saskatchewan, $1,163,850,000; Quebec, $900,506,000; Alberta, $796,360,000; Manitoba, $382,512,000; British Columbia, $189,811,000; Nova Scotia, $124,055,000; New Brunswick, $119,704,000; Prince Edward Island, $64,882,000.

The average value in 1933 of occupied farm lands in Canada, including both improved and unimproved land, as well as dwelling houses, barns, stables and other farm buildings, was reported as $24 per acre, unchanged as compared with revised values in 1932. By Provinces the average values in 1933 (with the values for 1932 in brackets) were: Prince Edward Island, $32 ($31); Nova Scotia, $26 ($28); New Brunswick, $24 ($24); Quebec, $36 ($37); Ontario, $38 ($38); Manitoba, $16 ($16); Saskatchewan, $16 ($16); Alberta, $16 ($17); British Columbia, $63 ($65). The average value per acre during 1933 of orchards and fruit lands (1932 values in brackets) in the chief fruit-raising Provinces, was: Nova Scotia, $75 ($85); Ontario, $89 ($83); British Columbia, $270 ($275).

The average wages per month of farm help in Canada during the Summer season of 1933 were for men, $17 (1932: $19); and for women, $10 (1932: $11). During the same period the value of board per month was placed at $15 for men and $12 for women, both the same as in 1932. The average yearly wage in 1933 for men was $161, and for women, $112, as compared with $176 for men in 1932, and $120 for women. The value of yearly board for men in 1933 was $161 (1932: $165); and for women, $134 (1932: $135).

Farm live stock showed several increases in values. For all Canada, the average values per head of farm live stock in 1933 were estimated as follows (with the averages of 1932 within brackets): horses, $52 ($46); milch cows, $31 ($32); other cattle, $17 ($17); total cattle, $23 ($24); sheep, $4 ($3.32); swine, $8.89 ($4.73). The average value per pound of wool was estimated at 10 cents, as compared with 5 cents in 1932. The total numbers and values of farm live stock in 1933, with comparative figures for 1932 within brackets, were: horses, 2,984,095, $154,215,000 (3,088,630, $141,640,000); milch cows, 3,694,000, $113,115,000 (3,624,600, $116,349,000); other cattle, 5,182,000, $88,452,000 (4,886,500, $83,685,000); total cattle, 8,876,000, $201,567,000 (8,511,100, $200,034,000); sheep, 3,385,800, $13,549,000 (3,644,500, $12,084,000); swine, 3,800,700, $33,804,000 (4,639,100, $21,964,000). The estimated numbers and value of farm poultry in 1933, compared with 1932 figures in brackets, were: hens and chickens, 54,943,400, $28,856,000 (59,842,800, $29,838,000); turkeys, 2,580,000, $3,049,000 (2,478,300, $2,785,000); geese, 962,900, $1,023,000 (948,400, $991,000); ducks, 837,900, $528,000 (810,700, $524,000).

The preliminary estimate of the gross agricultural revenue for Canada in 1933 placed the total at $762,302,000, as compared with the revised estimate of $766,794,000 for 1932, and $836,114,000 for 1931. This represents a decrease in 1933 of $4,492,000, or 0.6 per

cent. from 1932. There were increases in the revenue from farm animals, wool, dairy products, fur farming, honey and clover, and grass seed. There were decreases in revenue from field crops, fruits and vegetables, poultry and eggs, maple products, tobacco and flax fibre. The greatest increases in revenue were from farm animals and dairy products, while the largest decreases were in field crops, and poultry and eggs. By Provinces, in order of value, the figures for 1933 were: Ontario, $264,762,000; Quebec, $138,221,000; Alberta, $110,705,000; Saskatchewan, $106,417,000; Manitoba, $53,987,000; British Columbia, $31,276,000; Nova Scotia, $23,143,000; New Brunswick, $21,148,000; Prince Edward Island, $12,643,000.

By a series of deductions from the gross revenue from field crops for such items as feed for farm animals and poultry, seed and unmerchantable grain, and from the gross revenue from fruits and vegetables produced on farms for home use, a preliminary estimate of the net agricultural revenue of Canada for 1933 was given as $464,499,000, as compared with a revised estimate of $475,511,000 for 1932, a decrease of $11,012,000, or 2.3 per cent.

In contrast with the downward trend of Canada's trade in farm products during previous fiscal years (according to the External Trade Branch, Dominion Bureau of Statistics) the figures for the fiscal year ended Mar. 31, 1934, showed an improvement over those for 1932-33. Imports amounted to $69,236,882 in 1933-34 as compared with $59,479,191 in 1932-33, an increase of $9,757,691, or 16.4 per cent. Exports rose in value from $222,814,761 in 1932-33, to $237,718,499 in 1933-34, an increase of $14,903,738, or 6.7 per cent. The increase in both imports and exports was common to all groups, except raw materials in the field crops division. Smaller exports of grain accounted principally for the decline of exports in this group. Exports of potatoes increased from $770,272 to $1,876,331; apples from $7,352,912 to $12,823,785. Other exports showing increases were: malt, wheat flour, bran and shorts, cereal foods, whiskey, cattle, hides, eggs, raw wool, leather, bacon, and hams. Both imports from and exports to the United Kingdom showed increases: imports rising from $26,871,615 in 1932-33 to $35,834,032 in 1933-34, and exports from $131,926,102 to $141,251,853, increases of 33.4 per cent. and 7.1 per cent., respectively. Imports from the United States of products of Canadian farm origin declined in value from $19,746,203 in 1932-33 to $19,143,671 in 1933-34. Exports to the United States increased from $6,947,851 to $28,654,541. Of Canada's total trade in farm products the United Kingdom accounted for 51.8 per cent. of imports and 59.4 per cent. of exports, and the United States for 27.6 per cent. and 12.1 per cent. respectively.

Department of Agriculture. In addition to the Dominion Experimental Farms, dealt with in a subsequent paragraph, the varied and widespread activities instituted or amplified by the Federal Department of Agriculture were surveyed in the Annual Report of the Department for the fiscal year ended Mar. 31, 1934. Leading features of the work carried on through the various branches of the Department were as follows: (1) *Dairy and Cold*

Storage Branch. Production of creamery butter increased approximately 2,000,000 pounds during 1933, as compared with 1932 figures, and at the same time cheese production decreased some 10,500,000 pounds, indicating that the increase in production of creamery butter had been due largely to diversion from the manufacture of cheese to that of butter. Similarly, the decrease of about 4,500,000 pounds in the production of condensed whole milk was offset by an increase of over 4,000,000 pounds in the production of evaporated milk, the output of which was close on 53,000,000 pounds. Skim-milk powder production also showed an increase of a million pounds. The work of grading butter throughout the Dominion was extended owing to the demand for the grading of butter for domestic consumption. Forty-two per cent. of the total output of creamery butter was graded. About 93 per cent. of the total production of cheese was also graded. The quality was the best recorded since grading was begun in 1923, with 94.87 per cent. first grade. The improvement was general. The Report stated that: "the quality of our best Canadian cheese has reached a very high standard, and this is reflected in the reputation and preference for Canadian cheese on the world's markets." A new regulation was passed in March, 1934, making it compulsory to place the date of manufacture on all cheese, and on all cheese boxes. Studies on wood taint in storage butter pointed to the necessity of more effectual methods of coating the interior of the boxes used. The Dairy Branch directed special efforts to promoting the consumption of dairy products throughout the Dominion. (2) *Health of Animals Branch.* Restrictive measures were applied to prevent the introduction of serious contagious diseases among cattle from foreign countries. During the fiscal year 88,657 cattle were tuberculin-tested in new areas and 401,083 in existing restricted areas. (3) *Live Stock Branch.* Regulations governing the grading of bacon for export were gazetted Mar. 17, 1934. The standards were set and provision for supervision of packing establishments was organized. Only the grading of Wiltshire sides was controlled. Firms exporting were required to procure a licence from the Department. On Mar. 8, 1934, the Hog Grading Regulations were amended to permit of voluntary grading of hog carcasses. Some twenty-eight feeders were located in Ontario for 3,205 feeder range lambs from Western Canada to provide a steady source of supply of fresh-killed choice lamb during the Winter and Spring months, thus stimulating lamb consumption and steadying prices. Three additional stock yards were brought under the jurisdiction of the live stock legislation, bringing the number under supervision up to twelve. Increased farm poultry activities were reported due to improved conditions of the trade, and the fact that the great percentage of Canadian poultry was packed under Government supervision and graded. In 1929 less than 43,000 boxes of poultry were officially inspected; in 1933-34 the number inspected was 125,000. (4) *Seed Branch.* In the several Seed Branch districts 34,291 acres of seed crops were officially inspected, and 414,098 bushels of seed of cereal grains and other field crops were graded, as well as 1,025,596 pounds of seed of clovers and grasses. Assistance was given to the distribution of purely variety seed grain, particularly Marquis wheat, from field-inspected crops, to re-establish the quality of grain crops, and farmers were assisted with provincial co-operation, to exchange quantities of their damaged or inferior grain for somewhat smaller supplies of grain of better quality suitable for seeding. (5) *Entomological Branch.* This Branch maintaining its warfare against insect pests reported the situation in 1934 as a matter of very grave concern. A conservative commercial estimate of the loss of wheat due to grasshoppers during 1933 in Western Canada placed it at about 50,000,000 bushels. Two important insect control campaigns were engaged in during 1933; one against grasshoppers in the Prairie Provinces, and the other against the white grub outbreak in Eastern Ontario. Every available official and all the resources of the Branch were placed at the disposal of the Provincial Governments to assist in carrying on the campaign of 1933 and preparing for 1934. The Report added that: "The campaign for the control of grasshoppers in general was unquestionably successful, and saved the greater portion of the grain crops upon millions of acres." The white grub campaign in Eastern Ontario was carried on in co-operation with the Provincial Department of Agriculture, and no estimates

of actual savings were available. The value of the campaign was indirect and involved preparations to meet the next outbreak in 1936. The Division of Forest Insects reported the continuance of the extensive insect outbreaks in the forests east of the Great Lakes and in some cases increased severity. Throughout the Province of British Columbia forest insects were, on the whole, less destructive than usual. On Aug. 1, 1933, the Horticultural Inspection Service, formerly maintained by the Province of British Columbia, was transferred to the Federal Department of Agriculture, with headquarters continued at Vancouver and a sub-station at Victoria. Investigations into the control of mosquitoes resulted in the establishment of control campaigns in various centres in almost every Province under advice and direction by the Entomological Branch. (6) *Fruit Branch.* Increased exports of apples, the largest on record, necessitated constant and close supervision during 1933-34, while the greater movement of certain other horticultural crops called for additional inspection activities. The Canadian fruit crop rose in value to $18,121,207, an increase of 22 per cent. over the preceding year. Exports of apples to the United Kingdom recorded an increase of 76 per cent. for the year. (7) *Economics.* Rural taxation was studied by the Economics Branch, among other subjects. Increase in farm taxation was attributed to the rapid development of highways and to increased expenditures for school purposes and welfare services.

The Hon. Robert Weir, Minister of Agriculture, fulfilled many public engagements during the period under review. During 1933 he presided at the opening of the National Conference on Agricultural Services in Regina, Sask., July 20-22; addressed the Canadian Society of Technical Agriculturists meeting in Regina, July 24; and presided at the opening and closing exercises of the World's Grain Show and Conference in the same city, July 25—Aug. 4. During 1934 Mr. Weir, among other engagements, addressed a combined meeting of the Board of Trade and the Manitoba Live Stock Association in Brandon on Jan. 11; the Canadian Horticultural Council in Ottawa on Feb. 13; a joint meeting of the Agricultural Group of the Professional Institute and the Eastern Ontario Local of the Canadian Society of Technical Agriculturists in the Chateau Laurier, Ottawa, Mar. 7; a meeting of the National Dairy Council held for the purpose of discussing marketing problems, particularly butter, Toronto, Nov. 20; and the Annual Meeting of the International Association of Fairs and Expositions, in the same city, Nov. 27. During the year the Minister of Agriculture attended the Canadian National Exhibition and the Royal Winter Fair, Toronto, and other Agricultural fairs. (For Mr. Weir's speeches in Parliament with regard to legislation see Section: Federal Administration and Politics).

Agricultural Legislation, 1933-34. New regulations were established, or existing regulations amended under the various Acts and policies administered by the Department during the period from July 1, 1933, to Nov. 22, 1934, by Orders-in-Council as follows:

P.C. 1359, July 8, 1933, amended the quarantine regulations under the Animal Contagious Diseases Act; P.C. 1647, Aug. 19, 1933, amended the regulations under the Fruit Act governing grades for individual kinds of fruits; P.C. 1901, Sept. 16, 1933, established regulations governing the grading, marking and sale of bacon for export to Great Britain under the Live Stock and Live Stock Products Act; P.C. 2057, Oct. 6, 1933, amended the regulations relating to the Establishment and Maintenance of restricted Areas for the eradication of Bovine Tuberculosis under the Animal Contagious Diseases Act; P.C. 2026, Oct. 11, 1933, amended the regulations under the Live Stock and Live Stock Products Act governing grades for Eggs; P.C. 458, Mar. 8, 1934, amended the Hog Grading regulations under the Live Stock and Live Stock Products Act; P. C. 529, Mar. 19, 1934, amended the regulations under Part I of the Dairy Industry Act, governing the marking date of manufacture on the cheese and on the boxes containing cheese; P.C. 342, May 9, 1934, amended the regulations under the Destructive Insect and Pest Act; P.C. 966, May 12, 1934, established regulations under the Animal Contagious Diseases Act, governing the importation, manufacture, sale and use

of veterinary biologics; P.C. 945, May 12, 1934, amended the regulations under Part I and Part II of the Dairy Industry Act; P.C. 1088, May 28, 1934, proclaimed the regulations under Part II of the Dairy Industry Act, except paragraph 28; P.C. 1320, June 25, 1934, rescinded regulation No. 40, of the Meat & Canned Foods Act; P.C. 1495, July 13, 1934, proclaimed in Alberta regulation No. 28, Part II, of the Dairy Industry Act; P.C. 1844, Aug. 11, 1934, established the Dominion Marketing Board, under the Natural Products Marketing Act; P.C. 1791, Aug. 13, 1934, amended the Standard Package Regulations, of the Root Vegetables Act; P.C. 1802, Aug. 13, 1934, designated the Minister of Agriculture to administer the Natural Products Marketing Act; P.C. 1966, Aug. 23, 1934, established the regulations under the Natural Products Marketing Act, controlling the export of hay and straw; P.C. 2015, Aug. 25, 1934, approved a scheme, under the Natural Products Marketing Act, for the regulation of the marketing of tree fruits in a described area in British Columbia; P.C. 2046, Aug. 30, 1934, established the regulations, under the Live Stock and Live Stock Products Act, respecting the production and sale of chicks; P.C. 1979, Aug. 30, 1934, approved a scheme, under the Natural Products Marketing Act, for the regulation of the export of fruits (apples and pears) from Canada; P.C. 2077, Sept. 1, 1934, amended the general regulations under the Destructive Insect and Pest Act; P.C. 2506, Oct. 12, 1934, approved a scheme, under the Natural Products Marketing Act, for the regulation of the marketing of Western red cedar shingles for export trade; P.C. 2560, Oct. 20, 1934, approved a scheme, under the Natural Products Marketing Act, for the regulation of the marketing of dry salt herring and dry salt salmon produced in British Columbia; P.C. 2678, Oct. 25, 1934, amended the regulations under the Live Stock and Live Stock Products Act, respecting the grading and marking of dressed poultry; P.C. 2679, Oct. 26, 1934, approved a scheme, under the Natural Products Marketing Act, to regulate the marketing of flue-cured tobacco produced in Ontario; P.C. 2704, Nov. 3, 1934, enacted regulation No. 40, of the Meat and Canned Foods Act, establishing New Brunswick and Prince Edward Island, as a unit; P.C. 2906, Nov. 17, 1934, established order under the Natural Products Marketing Act, that three members of the Dominion Marketing Board, should constitute a quorum of the Board; P.C. 2957, Nov. 22, 1934, amended regulations under Section 88¾, of the Animal Contagious Diseases Act, regarding the feeding of swine.

During the Session of the Federal Parliament of 1934 eight Bills affecting Agriculture were enacted. The most important of these measures was the Marketing Bill, "to improve the methods and practices of marketing of natural products of Canada and in export trade and to make further provision in connection therewith." The provisions of this legislation are fully explained elsewhere (Federal Administration and Politics: Legislation). A measure was enacted respecting the dairy industry, making it compulsory to place the date of the manufacture of cheese on the cheese, and also on the cheese box. An Act respecting Fruit and Honey provided that the Minister of Agriculture might put into effect, by regulation, grades for fruits, standard packages and their marking, requirements for import and export shipments, and administrative regulations. More effective provision was made for the enforcement of the law to control the movement of bulk fruit and to prevent unfair and fraudulent practices in the marketing of fruit and vegetables. The Act to amend the Destructive Insect and Pest Act clarified existing legislation to make it clear that a Province might deal with the control of any destructive insect or pest provided that the Provincial legislation was not contrary to Federal legislation. Provision was made by an Amendment to the Live Stock Products Act for the licensing of cattle-exporting agents, as well as exporters, with regard to the exportation of cattle to Great Britain. The Canada Grain Act was amended to place the statutory grades of No. 2 Manitoba Northern wheat on the same basis as No. 1 Manitoba Hard and No. 1 Manitoba Northern, insofar as milling quality was concerned. The Western Standard Committee was empowered to deal with the different varieties of grain which might be developed from time to time. An Act to Facilitate Compromises and Arrangements between Farmers and their Creditors, provided for the appointment of Boards of Review to effect compromises between farmers and their

creditors, and to make such arrangements binding on all parties, but the legislation did not apply to any Province until proclaimed in force by the Governor-in-Council in such Province. The Canadian Farm Loan Act provided, through the agency of the Canadian Farm Loan Board, increased credit facilities to farmers. A Government guarantee of the bonds of the Board up to $40,000,000 was authorized.

Dominion Experimental Farms. Activities of this Branch of the Department of Agriculture as given in the Annual Report of the Department for the year ended Mar. 31, 1934, included the following: (a) Animal Husbandry—study of the beef-producers problems, including the most economical methods of raising and finishing beef cattle; study of problems in breeding and feeding of dairy cattle; nutritional experiments with sheep in Winter and pasture experiments in Summer; research work on projects involving evaluation of protein supplements and rations for weanling pigs. (b) Agricultural Bacteriology—examination of canned tomato products for mold content; distribution of cultures for inoculation of legume seed, the greatest so far recorded; research in soil bacteriology, which had extended over several years; study of germicidal efficiency of chlorine sterlizing agents; development of a technique to insure bottled cider free from contamination; study of the red discolouration of salted hides, commonly known as "red heat", which demonstrated that the organisms causing the defect were closely related to organisms producing a similar red discolouration of salted fish. (c) Bee—results obtained over eight years showed that it was not profitable to purchase packet bees for the purpose of strengthening weak colonies under conditions in the Ottawa District; it was also established that moisture and yeast count were the two main causes of spoilage of honey in storage. (d) Botany—botanical surveys of pastures in the Eastern Provinces were extended. Data from a Dominion-wide weed survey extending over 11 years were made ready for reference. The Dominion-wide plant survey in 1933 showed that due to seed treatment, damage caused by wheat stem rust was greatly reduced, being less than 2 per cent. in the Red River Valley. Progress in dealing with Blister rust of white pines was distinctly disappointing, the valuable white pine resources of Canada being slowly but surely destroyed by this disease. (e) Cereal—further experiments were conducted with good prospects in developing rust resistance in wheat, and also producing early maturing types. (f) Chemistry—physical and chemical analysis of soils; study of the culture of peat soils; investigation of plant food requirements; study of the influence of environment on the protein content of wheat; experiments demonstrating that conditions for commercial production of pyrethrum in Canada were favourable; calculations of the feeding values of a number of Canadian feeding stuffs. (g) Economic Fibre Production—testing varieties, methods of seeding, dates and rates of seeding, machinery, etc. The Division reported that British Columbia could produce the best flax in Canada. (h) Field Husbandry—ten years of experimental work on methods of ensiling various crops completed in 1933 showed that almost any commonly grown field crops might be satisfactorily ensiled provided proper methods were followed. (i) Forage Plants—experimental work and plant breeding were extended in several directions, notably field tests with pasture plants, and the breeding of alfalfa, broom grass, timothy, millets, soy beans and field roots. (j) Horticulture—hardy apple breeding project for the northwest carried forward to the third generation, of which practically 100 per cent. had fruited. (l) Tobacco—arrangements made for the registration of approved varieties of tobacco, a tobacco sub-station started at Delhi, Ontario, and experiments were made in the culture of flue-cured tobacco in Northern Quebec.

Canadian Farm Loan Board. The operations of the Canadian Farm Loan Board, (J. D. MacLean, M.D., LL.D., Commissioner), as contained in the Report of the Board for the fiscal year ended Mar. 31, 1934, involved the consideration of 1,207 applications for loans amounting to $2,306,934, not including obviously unsuitable applications. Total loans granted during the year amounted to $490,800, and new loans disbursed totalled $558,630. The

sum of $168,064 was collected in 1933-34 on account of principal, and $453,425 for interest, as compared with $141,574 of principal in 1932-33, and $353,981 of interest. At the close of the fiscal year 1934, the total arrears of interest amounted to $429,929, equal to 4.71 per cent. of principal of loans outstanding. Interest in arrears for more than six months amounted to $181,391, equal to 1.98 per cent. of mortgage loans outstanding. The Board continued to carry all borrowers in arrears, unless satisfied that the borrower was not making an honest effort to meet his obligations to the extent of his ability, or unless, in the opinion of the Board, the borrower had no reasonable prospect of success. Sale or foreclosure proceedings were instituted during 1933-34 in 31 cases, of which 11 were in process at the close of the year. During the fiscal year the Board acquired 62 farm properties, disposed of 25 complete farm properties and part of one other, and held at the close of the year 60 farm properties for sale. Bonds to the amount of $400,000 were sold to the Minister of Finance. Interest paid on bonds and capital advances amounted to $328,599. The total cost of the administration was $124,687, being an increase for the year of $12,611, largely due to the increased costs of field work in the inspection of securities and the handling of arrears. The principal outstanding on loans at the close of the fiscal year 1934 was $9,125,512, as compared with $8,927,985 on Mar. 31, 1933. The Board showed profits from the year's operations of $109,631. Of that amount $27,408 was transferred to statutory reserve, $46,000 to reserve for possible losses on outstanding loans, $35,000 to contingent reserve and the balance to surplus.

All Field Crops, 1934. The Canadian growing season in the crop year 1934 (ended July 31), according to the third estimate of Field Crops in Canada in 1934, issued by the Dominion Bureau of Statistics in January, 1935, was marked by adverse weather conditions which were most severe and damaging. There were very few districts in which the crops grew and matured under optimum conditions. Consequently 1934 will be remembered as another unfavourable season for crop production. Drought was common in many sections, but was particularly evident in Nova Scotia, Ontario, Manitoba, and Saskatchewan. The other Provinces were more favoured, and, with late-season improvement, particularly good crops were harvested in Quebec and British Columbia. Although regrettable from the individual farmer's point of view, the drought accomplished a reduction of troublesome surplus supplies which had accumulated, so that at the end of the season only wheat, potatoes, cattle and butter were held in unneeded quantities. Most farm products recorded a considerable advance in price. In the Maritime Provinces, the severe Winter resulted in considerable injury to fruit trees, and berries, and some damage to hay lands. There was little injury to pastures and meadows in Quebec, but certain varieties of apples suffered badly. In Ontario the drought of 1933 was extended and intensified in effect in 1934. August rains benefited crops then growing and the pastures lasted well into the Autumn season. Spring grains gave good harvests, potatoes and turnips, slightly better yields, and sugar beet production was reduced. Wide areas in the south-central portion of the Prairie Provinces again experienced a disastrous crop failure. The effects of extreme heat and drought were aggravated by soil-sifting and the depredations of grasshoppers and cut-worms. The drought was most intense in May and again in July. In the Park belt, further north and west, the season was more satisfactory, but early Autumn frosts and Wintry harvest weather lowered the quality and the grades of grain. Generally, crops in the Prairie Provinces were below the average, but higher prices prevented a serious financial problem. In British Columbia the field and fruit crops were nearly or above average, notwithstanding a drought in July.

The aggregate value of all field crops in Canada in 1934 was estimated at $544,974,600, as compared with $453,598,000, the revised estimate for 1933. The 1934 figure was nearly eight and a half million dollars above the first estimate of value made on Dec. 13, 1934. The increase was almost entirely due to higher prices per unit placed on the crop as marketing proceeded. Approximately thirty million dollars had been added to the 1933 total value, due in part to the upward revision of the estimated wheat production and, to

a greater extent, to the increased prices received during the last few months of the crop year.

Wheat production for all Canada in 1934 was estimated at 275,849,000 bushels from 23,985,000 acres, a yield per acre of 11.5 bushels, as compared with 281,892,000 bushels from 25,991,100 acres, or 10.8 bushels per acre in 1933. Oats yielded 321,120,000 bushels from 13,730,800 acres, as compared with 307,478,000 bushels from 13,528,900 acres in 1933, yields per acre of 23.4 bushels and 22.7 bushels respectively. The yield of barley was estimated at 63,742,000 bushels from 3,612,500 acres, as compared with 63,359,000 bushels from 3,658,000 acres in 1933, the average yields per acre being 17.6 bushels and 17.3 bushels. Rye was estimated to have yielded 5,423,000 bushels from 734,900 acres, as compared with 4,177,000 bushels from 583,100 acres in 1933, yields per acre of 7.4 bushels and 7.2 bushels respectively. Flaxseed yielded 910,400 bushels from 226,900 acres, as compared with 632,000 bushels from 243,600 acres in 1933, yields per acre of 4.0 bushels and 2.6 bushels. The remaining grain crops gave the following yields, in bushels, with the 1933 figures within brackets: peas, 1,588,000 (1,376,800); beans, 813,600 (890,700); buckwheat, 8,635,000 (8,483,000); mixed grains, 37,926,000 (33,009,000); and corn for husking, 6,798,000 (5,054,000).

For root and fodder crops, the acreages, yields per acre and total production were as follows, with the 1933 figures within brackets: potatoes, 569,200 acres, 84 cwt., 48,095,000 cwt. (527,700 acres, 81 cwt., 42,745,000 cwt.); turnips, etc., 187,400 acres, 216 cwt., 40,538,000 cwt. (183,900 acres, 188 cwt., 34,618,000 cwt.); hay and clover, 8,881,400 acres, 1.26 tons, 11,174,000 tons (8,875,900 acres, 1.29 tons, 11,443,000 tons); alfalfa, 678,900 acres, 1.96 tons, 1,328,100 tons (721,600 acres, 2.29 tons, 1,652,300 tons); fodder corn, 497,100 acres, 7.67 tons, 3,815,000 tons (378,750 acres, 8.25 tons, 3,122,800 tons); grain hay, 1,005,000 acres, 1.79 tons, 1,802,000 tons (1,949,000 acres, 1.51 tons, 2,948,000 tons); sugar beets, 52,100 acres, 7.92 tons, 412,700 tons (46,000 acres, 9.93 tons, 457,000 tons).

The average prices per unit as received by growers at the point of production for the 1934 crops were estimated as follows, with the revised prices for 1933 within brackets: Cents per bushel—wheat, 59 (49); oats, 33 (26); barley, 46 (30); rye, 48 (38); peas, 105 (100); beans, 133 (99); buckwheat, 53 (50); mixed grains, 41 (40); flaxseed, 117 (120); corn for husking, 65 (59); cents per cwt.—potatoes, 50 (77); turnips, etc., 31 (34); dollars per ton—hay and clover, 11.75 (8.77); alfalfa, 12.67 (9.25); fodder corn, 4.12 (3.28); grain hay, 7.12 (6.58); and sugar beets, 5.64 (6.04).

The total values of field crops in 1934 were estimated as follows, with revised figures for 1933 within brackets: wheat, $163,972,000 ($136,958,000); oats, $105,380,000 ($79,818,000); barley, $29,107,000 ($18,954,000); rye, $2,581,000 ($1,603,000); peas, $1,660,400 ($1,371,000); beans, $1,079,200 ($878,000); buckwheat, $4,572,000 ($4,233,000); mixed grains, $15,634,000 ($13,336,000); flaxseed, $1,063,000 ($756,000); corn for husking, $4,419,000 ($2,982,000); potatoes, $23,822,000 ($33,092,000); turnips, etc., $12,685,000 ($11,626,000); hay and clover, $131,295,000 ($100,306,000); alfalfa, $16,822,000 ($15,279,000); fodder corn, $15,729,000 ($10,239,000); grain hay, $12,828,000 ($19,407,000); and sugar beets, $2,326,000 ($2,760,000).

By Provinces the total values of field crops were, in order as follows, with the revised values for 1933 within brackets: Ontario, $143,734,000 ($135,813,000); Alberta, $108,499,000 ($86,499,000); Quebec, $98,309,000 ($67,512,000; Saskatchewan, $94,440,600 ($82,708,000); Manitoba, $50,233,000 ($35,653,000); New Brunswick, $14,961,000 ($12,044,000); Nova Scotia, $12,995,000 ($12,151,000); British Columbia, $12,749,000 ($12,377,000); and Prince Edward Island, $9,054,000 ($8,841,000).

Yields in the three Prairie Provinces were estimated as follows with the 1933 figures in brackets: wheat, 263,800,000 bushels from 23,296,000 acres (263,004,000 bushels from 25,177,000 acres); oats, 172,040,000 bushels from 9,115,000 acres (177,422,000 bushels from 8,945,000 acres); barley, 44,742,000 bushels from 2,962,000 acres (47,243,000 bushels from 3,032,000 acres); rye,

4,381,000 bushels from 669,000 acres (3,104,000 bushels from 519,700 acres); and flaxseed, 827,000 bushels from 218,400 acres (563,000 bushels from 235,900 acres).

According to the Dominion Bureau of Statistics Bulletin of Nov. 9, 1934, yields of the principal grain crops, wheat, oats, barley, rye and flaxseed for each of the three Prairie Provinces in 1934 were estimated provisionally as follows: (figures for 1933 within brackets): Manitoba—wheat, 36,300,000 (32,500,000); oats, 27,112,000 (29,500,000); barley, 17,298,000 (16,900,000); rye, 1,111,000 (575,000); flaxseed, 167,000 (110,000). Saskatchewan—wheat, 114,200,000 (123,841,000); oats, 66,138,000 (75,422,000); barley, 12,403,000 (17,560,000); rye, 1,347,000 (1,777,000); flaxseed, 594,000 (410,000). Alberta—wheat, 112,500,000 (94,500,000); oats, 83,960,000 (72,500,000); barley, 15,251,000 (12,783,000); rye, 1,942,000 (902,000); and flaxseed, 112,000 (43,000).

The following table gives, in a clearer form, the third estimate of the principal field crops in Canada during the year 1934 (Bulletin (January, 1935), Dominion Bureau of Statistics) wheat, rye and flaxseed, and average prices, being subject to revision:

Field Crops	Area	Yield Per Acre	Total Yield	Average Price Per Bush.	Total Value
	Acres	Bush.	Bush.	$	$
Fall Wheat	425,600	15.8	6,724,000	0.88	5,917,000
Spring Wheat	23,559,400	11.4	269,125,000	0.59	158,055,000
All Wheat	23,985,000	11.5	275,849,000	0.59	163,972,000
Oats	13,730,800	23.4	321,120,000	0.33	105,380,000
Barley	3,612,500	17.6	63,742,000	0.46	29,107,000
Fall Rye	587,100	7.3	4,305,000	0.48	2,066,000
Spring Rye	147,800	7.6	1,118,000	0.46	515,000
All Rye	734,900	7.4	5,423,000	0.48	2,581,000
Peas	94,960	16.7	1,588,000	1.05	1,660,400
Beans	56,760	14.3	813,600	1.33	1,079,200
Buckwheat	407,200	21.2	8,635,000	0.53	4,572,000
Mixed Grains	1,159,200	32.7	37,926,000	0.41	15,634,000
Flaxseed	226,900	4.0	910,400	1.17	1,063,000
Corn, Husking	161,100	42.2	6,798,000	0.65	4,419,000
		Cwt.	Cwt.	Per Cwt.	
Potatoes	569,200	84.0	48,095,000	0.50	23,822,000
Turnips, Etc.	187,400	216.0	40,538,000	0.31	12,685,000
		Tons	Tons	Per Ton	
Hay and Clover	8,881,400	1.26	11,174,000	11.75	131,295,000
Alfalfa	678,900	1.96	1,328,100	12.67	16,822,000
Fodder Corn	497,100	7.67	3,815,000	4.12	15,729,000
Grain Hay	1,005,000	1.79	1,802,000	7.12	12,828,000
Sugar Beets	52,100	7.92	412,700	5.64	2,326,000

The International Wheat Agreement. Although the world's wheat problem was not officially before the Monetary and Economic Conference in June-July, 1933, the Prime Minister of Canada (Rt. Hon. R. B. Bennett), as spokesman of the delegation from the Dominion, made a special plea to the Conference for a consideration of the wheat situation. In this appeal he was supported by the large wheat-exporting nations, the United States, Australia, and Argentina, and at the close of the meeting the Secretary-General of the Monetary and Economic Conference was instructed to call a Conference of World wheat-exporting countries. This invitation from the Governments of Argentine, Australia, Canada and the United States, was accepted by the Governments of Germany, Austria, Belgium, Bulgaria, France, the United Kingdom of Great Britain and Northern Ireland, Greece, Hungary, the Irish Free State, Italy, Poland, Roumania, Spain, Sweden, Czechoslovakia, Switzerland, The Union of Socialist Soviet Republics and Yugoslavia. The Conference opened in London on Aug. 21, 1933, Canada's representatives being the Prime Minister (Mr. Bennett), who was made Chairman of the Meeting, the Hon. M. A. MacPherson, Lieut.-Col. G. P. Vanier and N. A. Robertson. (See also Sections: "Federal Administration and Politics" and those dealing with the Provinces).

The aims of the Conference were: (1) to arrive at international agreement for the adjustment of exports to effective demand, with the object of eliminating the abnormal carry-over which had been depressing the market

for more than four years; and (2) to increase and stabilize the price of wheat to a level which would be remunerative to the farmers and fair to the consumers of breadstuffs. While the Conference was in progress it was announced that the overseas exporting countries had reached an agreement in principle on a two-year programme for the crop years of 1933-34 and 1934-35 and had also arrived at an understanding with the Danubian exporting countries for restriction of their combined exports on a basis which, while allowing for export of their existing exportable surplus, would not permit any expansion of acreage. The agreements reached between the various groups of exporting countries were conditional on receipt of assurance of satisfactory co-operation from the chief importing countries.

The Draft Agreement prepared by the exporting nations was referred to a Technical Committee whose Report was later submitted to the Meeting. On Aug. 25 the following 21 nations, which had accepted the Agreement, formally affixed their signatures to the document: Germany, Argentine, Australia, Austria, Belgium, Bulgaria, Canada, Spain, United States of America, France, Greece, Hungary, Irish Free State, Italy, Poland, Roumania, United Kingdom, Sweden, Switzerland, Czechoslovakia, Union of Socialist Soviet Republics, and Yukoslavia. Mr. Bennett and Mr. MacPherson signed for Canada. The Wheat Agreement was as follows:

"Article 1—The Governments of Argentine, Australia, Canada and the United States of America agree that the exports of wheat from their several countries during the crop year Aug. 1, 1933, to July 31, 1934, shall be adjusted, taking into consideration the exports of other countries, by the acceptance of export maxima on the assumption that world import demand for wheat will amount during this period to 560,000,000 bushels.

"Article 2—They further agree to limit their exports of wheat during the crop year Aug. 1, 1934, to July 31, 1935, to maximum figures, 15 per cent. less in the case of each country than the average out-turn on the average acreage sown during the period of 1931-1933 inclusive after deducting normal domestic requirements. The difference between the effective world demand for wheat in the crop year 1934-35 and the quantity of new wheat from the 1934 crop available for export will be shared between Canada and the United States of America as a supplementary export allocation with a view to the proportionate reduction of their respective carry-overs.

"Article 3—The Governments of Bulgaria, Hungary, Roumania and Yugoslavia agree that their combined exports of wheat during the crop year Aug. 1, 1933, to July 31, 1934, will not exceed 50,000,000 bushels. This undertaking is made on the understanding that the aggregate may be increased to a maximum of 54,000,000 bushels if the Danubian countries find that such a supplementary quota is required for the movement of the exportable surplus of the 1933 crop.

"Article 4—They further agree that their combined exports of wheat during the crop year 1934-1935 will not exceed a total of 50,000,000 bushels and recognize that the acceptance of this export allocation will not allow of any extension of the acreage sown to wheat.

"Article 5—The Government of the Union of Socialist Soviet Republics, while unable to give any undertaking in regard to production of wheat, agree to limit their exports for the crop year 1933-1934 to a figure which will be arrived at upon the completion of negotiations with the Governments of the overseas wheat exporting countries. They also agree that the question of their export of wheat during the crop year of 1934-1935 shall be the subject of further negotiations with the wheat exporting countries represented on the Advisory Committee.

"Article 6—The Governments of the wheat-importing countries in signing this instrument: 1. Agree henceforth not to encourage any extension of the area sown to wheat and not to take any governmental measures, the effect of which would be to increase the domestic production of wheat. 2. Agree to adopt every possible measure to increase the consumption of wheat and are prepared to bring about the progressive removal of measures

which tend to lower the quality of breadstuffs and thereby decrease the human consumption of wheat. 3. Agree that a substantial improvement in the price of wheat should have as its consequence a lowering of customs tariffs, and are prepared to begin such adjustment of customs tariffs when the international price of wheat reaches and maintains for a specified period an average price to be fixed. It is understood that the rate of duty necessary to assure remunerative prices may vary for different countries, but will not be sufficiently high to encourage their farmers to expand wheat acreage. (Appendix A contains the agreed definitions relating to the technical points mentioned in this paragraph). 4. Agree that in order to restore more normal conditions in world trade in wheat the reduction of customs tariffs would have to be accompanied by modification of the general regime of quantitative restriction of wheat imports and accept in principle the desirability of such a modification. The exporting countries for their part agree that it may not be possible to make substantial progress in these modifications in 1933-1934, but the importing countries are prepared to make effective alterations in 1934-1935 if world prices have taken a definitely upward turn from the average price of the first six months of the calendar year 1933. The objective of these relaxations of the various forms of quantitative restrictions will be to restore a more normal balance between total consumption and imports, and thereby to increase the volume of international trade in wheat. It is understood that this undertaking is consistent with maintaining the home market for domestic wheat grown on an area no greater than at present. It is obvious that fluctuations in the quantity and quality of the wheat harvest resulting from weather conditions may bring about wide variations in the ratio of imports to total consumption from season to season.

"The obligations of the importing countries under this Agreement are to be interpreted in the light of the following declaration:

"It is recognized that measures affecting the area of wheat grown and the degree of protection adopted are primarily dependent upon domestic conditions within each country, and that any change in these measures must often require the sanction of the Legislature.

"The intention of this Agreement is nevertheless that the importing countries will not take advantage of a voluntary reduction of exports on the part of the exporting countries by developing their domestic policies in such a way as to frustrate the efforts which the exporting countries are making, in the common interest, to restore the price of wheat to a remunerative level.

"Article 7—The countries participating in the Conference agree to set up a Wheat Advisory Committee to watch over the working and application of this Agreement. The functions, organization and financial basis of this Committee are set out in Appendix B."

The following notes formed an Appendix (A) to the Report of the Agreement.

"1. International price of wheat," as mentioned in Article 6, paragraph III, of the draft agreement, shall be understood to mean a duty-free gold price c.i.f. on a world market. This price shall be calculated according to the method followed by the Food Research Institute of Stanford University, California, (explained in Vol. 4, No. 8, of *Wheat Studies*). It is the average price of all parcels of imported wheat of all grades sold during each week in all the ports of Great Britain.

"2. The Secretariat of the Wheat Advisory Committee set up by the Conference shall undertake the regular communication of indices of prices calculated as above to all Governments adhering to the Agreement.

"3. The minimum average gold price calculated as indicated above to be maintained for a period of sixteen weeks before it will be necessary for importing countries to adjust their Tariffs shall be 12 gold francs per quintal (63.02 gold cents per bushel).

"4. The period referred to in Article 6, paragraph III, of the Agreement, during which the average quotation for wheat is to be maintained before it

will be necessary for importing countries to adjust their Tariffs shall be sixteen weeks.

"5. Each country will decide upon its tariff adjustment in accordance with the principles enunciated in Article 6, paragraph III, of the draft agreement, and every considerable and lasting change in wheat prices shall be followed by an adjustment of Tariffs proportionate to such change."

A Sub-Committee on the Constitution of a Wheat Advisory Committee, composed of representatives of Australia, Belgium, France, Germany, Greece, Hungary, Italy, Switzerland, the United Kingdom, and the United States had met on Aug. 22, 1933, to consider whether any, and, if so, what organization should be set up in connection with the prospective Wheat Agreements. Mr. F. L. McDougall (Economic Adviser to the Australian Government in London) was elected Chairman. The Report contained a summary of the views exchanged in the Sub-Committee and the recommendations submitted by it to the Conference regarding the functions, composition and financial basis of the suggested Wheat Advisory Committee (Appendix B):

"It is clear that the proposed body can only be temporary in character as the agreements under which it may be set up are intended to deal with the immediate difficulties of the situation. No question arises of establishing any permanent committee entrusted with the task of supervising the production of and trade in wheat; it is simply proposed to set up a Committee to watch over the working and application of the agreements which may be arrived at. The Committee would be primarily advisory in character and would provide an opportunity for the representatives of Governments, fortified by the best available information, to review the way in which the several agreements were functioning. It would only take decisions in cases defined in the agreements.

"The Committee's duties should be confined to the task outlined above, and should not extend to matters connected with the compilation of statistics, except as provided in Appendix A.

"With the object of avoiding any overlapping the Advisory Committee should work in close co-operation with the Economic Organization of the League and the International Institute of Agriculture.

"As the work of the proposed Committee would be concerned with business rather than policy it should be small. It was recognized that the chief exporting countries—*viz.*, Argentine, Australia, Canada and the United States—should be separately represented, and that the Danubian Countries should be entitled to a representative, as would the U.S.S.R. It was regarded as essential that importing countries should be represented as well as exporting countries.

"It was at first suggested that the importing countries might be represented by two or three members, to be named by the Economic Committee of the League of Nations. But it appeared from the discussion in the Sub-Committee that it would be preferable that the committee should contain an equal number of representatives of importing and exporting countries. Subject to this it was agreed that the Committee should be given power to enlarge its membership if circumstances appeared to render such a course desirable.

"Importing States to be represented might be selected according to one of two methods: either the importing countries participating in the Conference might make their selection while the Conference is still sitting, or the choice might be left to the Economic Committee of the League. It was felt that a decision on this matter should be left to the importing countries. In any case, the members of the Committee should be appointed as representatives of States, and not in their personal capacity. The Advisory Committee would be authorized, if it considered that circumstances rendered such action necessary, to convene a general meeting of the States parties to the Agreements.

"Various suggestions were made regarding the chairmanship of the Advisory Committee. Some members thought that the League of Nations might be requested to ask some person of recognized standing and undoubted

impartiality to accept the post of Chairman. Others thought that in view of the exceptional importance to the exporting countries of the wheat question, it might perhaps be desirable that the Chairman should be chosen from among their representatives. It was finally agreed that the appointment of Chairman should be left to the Advisory Committee itself, which might be empowered to elect a Chairman from among its members or, if it appeared practicable and desirable, to select some other person of recognized standing.

"The Sub-Committee was anxious to keep expenditure on the lowest possible basis. The staff employed should be small in number and might consist of a highly competent secretary with a technical assistant and a shorthand-typist.

"The cost of representation at meetings should be borne by the several Governments represented on the Committee. The Committee itself would only be responsible for cost of the staff, office expenses and the travelling expenses of the staff in so far as that might prove necessary. It was considered that the annual appropriation for the committee need not exceed a total of sixty thousand gold francs. The suggested basis of contribution was that each country accepting the Wheat Agreements should contribute four gold francs per 100,000 quintals of the average quantity of wheat produced during a given period, and that the wheat-exporting countries should contribute a further eight gold francs per 100,000 quintals of wheat exported in an average year of the given base period.

"The suggested basis of contributions towards the maintenance of the Advisory Committee are set out in the Annex to this Report (the minimum contribution was to be 200 gold francs; Canada's share was 10,120 gold francs; and the United States, 12,316).

"The seat of the office of the Advisory Committee would be at London, but the Committee would be authorized to meet elsewhere if circumstances rendered it necessary."

Under the terms of the Agreement the quota that each of the exporting nations was allotted was as follows: Argentine, 110,000,000 bushels; Australia, 105,000,000 bushels; Canada, 200,000,00 bushels; Danubian countries, 54,000,000 bushels; United States, 47,000,000 bushels; and other countries, including Russia, 47,000,000 bushels.

The working of the Agreement was scrutinized and certain modifications were considered and recommended to the various Governments. At the Meeting of the Committee at Rome, Apr. 4, 1934, a proposal to establish a minimum price for wheat among the exporting countries, equivalent to an increase of about ten per cent. in current prices, was approved and forwarded to the various Governments for consideration. When the Committee reassembled in London on May 7, it was announced that the proposed minimum price had failed to meet with approval, and the matter was referred to a Sub-Committee for study and consideration. Argentine, having exceeded its export quota by 40,000,000 bushels, the question of adjusting the arrangement to the situation was discussed by the Committee. On Nov. 30, 1934, the Committee assembled at Budapest for its seventh meeting, when the subject of export quotas was further considered. At the sessions of the Committee in London, Canada was represented by Lieut.-Col. G. P. Vanier, John I. McFarland and Dr. T. W. Gridley; at Rome the Canadian representation consisted of Colonel Vanier, and Mr. McFarland, and at Budapest the Canadian representation was Colonel Vanier and Clive Davidson.

Canada's participation in the London Wheat Conference of 1933, and the Agreement resulting therefrom, were debated in the House of Commons on Mar. 13, 1934 (see pages 99-100). In the three Provinces of Manitoba, Saskatchewan and Alberta, legislation implementing the Wheat Agreement was enacted during the 1934 Sessions of the Legislatures under which each Province might set up an Emergency Wheat Control Board, with power to license and restrict within the Province sales and deliveries of wheat. It was provided also that in addition to, or in *lieu* of such Board, a joint Board might be established by the three Provinces or by any one of them, in conjunction with the Dominion, such a Board, if created, to have all the powers

of a Wheat Board, and to do all such things as might be necessary to bring the deliveries of wheat in the Province concerned into proper alignment with the estimated current export demand in the crop season 1934-35, and normal requirements in the same period, in conformity with Article 2 of the London Wheat Agreement. The question was raised as to whether Federal legislation of a complementary nature was necessary, but the Dominion Government considered that the new Natural Products Marketing Act gave all the powers required.

At the end of the crop year July 1, 1932, the carryover of Canadian wheat was 136,000,000 bushels. Following the heavy crop of that year there was a carryover at July 31, 1933, of 219,428,000 bushels. And scarcely less serious was the carryover at July 31, 1934, of 203,271,115 bushels. An official survey at the end of the crop year July 31, 1934-35, issued by the Agricultural Branch of the Dominion Bureau of Statistics, stated, however, that the general wheat situation was not without its hopeful aspects. The supply of wheat available for the ensuing cereal year had been greatly reduced by crop disasters in the United States and low yields in Canada and Europe. In addition, there were prospects of a small crop in Australia. These developments combined to produce a situation where the available supply of wheat was more closely related to a probable demand than at any other time in recent years. In a newspaper statement from Ottawa on Sept. 2, 1934, John I. McFarland, General Manager of the Central Selling Agency of the Canadian Wheat Pools, expressed the opinion that the period of burdensome wheat surpluses was temporarily at an end. He added: "The scene has completely changed. We have now entered a year in which there is every evidence of only very moderate wheat supply in excess of normal purposes." Mr. McFarland was of the opinion that any wheat to spare would be absorbed in various countries as a substitute for coarse grains which were already selling at prices equivalent to wheat.

The Wheat Situation, 1933-34. The world's production of wheat experienced a marked reduction during the crop year of 1933-34, as compared with 1932-33, according to *The Monthly Reviews of the Wheat Situation*, issued by the Dominion Bureau of Statistics. The area sown in 1934 was nine million acres, or 3½ per cent. less than in 1933. According to estimates available in December, 1934, world wheat production in 1934, excepting China and Russia, was 3,245,000,000 bushels, showing, as compared with 3,598,000,000 bushels in 1933, a reduction of 353,000,000 bushels, or nearly 10 per cent. Practically all this reduction took place in Europe, Australia, and Argentina. The slight reduction in North America was about sufficient to offset the increases in North Africa and Asia. Most of the reduced production was experienced in countries which have a great influence in world wheat trade, either as exporters or importers. Wheat production by acreage and quantity, for the crop years 1934 and 1933 in Europe and the following countries was:

	Area		Production	
	1934	1933	1934	1933
	Acres		Bushels	
Europe	76,746,000	77,422,000	1,467,895,000	1,734,721,000
Argentine	18,484,000	19,663,000	240,000,000	286,119,000
Australia	12,965,000	14,992,000	137,000,000	175,370,000
Canada	23,985,000	25,991,000	275,252,000	269,729,000*
United States	59,000,000	66,510,000	496,980,000	527,978,000

*Third Estimate (Jan. 15, 1935) was 275,849,000.

In addition, North Africa—including Tunis, Morocco, Algeria and Egypt, had a yield of wheat in 1934 of 124,046,000 bushels, as compared with 110,037,000 in 1933; and Asia, including Chosen, India, Japan and Turkey, had a production of 493,805,000 bushels in 1934, as against 481,777,000 bushels in 1933. The only other countries outstanding from the above list, in addition to Russia and China, were Northern Ireland, the Union of South Africa, Syria and Lebanon, and Chile. The average production of these countries totalled about 50 million bushels. The Union of South Africa reported a record wheat production of 13.6 million bushels in 1934. European wheat production, which reached a high level in 1933, receded considerably under

adverse conditions in 1934, showing a reduction of 266,826,000. This loss was shared by Italy to the extent of 64 million bushels; France, 55 millions; Germany, 45 millions; Roumania, 45 million bushels; Hungary, 35 million bushels, and Czechoslovakia and Yugoslavia, about 23 million bushels each. Spain had a gain of considerably over 35 million bushels. World shipments of wheat flour for the fifty weeks of the 1934 crop year down to July 16, compared with the same period in 1933, were as follows (Broomhall's figures):

Year	N. America	Argentine	Australia	Russia	Other	Total
			(000 omitted)			
1933-34	211,220	132,161	85,766	26,632	45,920	501,699
1932-33	282,096	119,504	150,616	17,408	25,840	595,464

During the crop year 1933-34 the imports of wheat into the United Kingdom amounted to 200,105,532 bushels, as compared with 204,375,807 bushels the previous year. Imports during 1934 were derived from the following sources (figures in brackets show the imports during 1933): Canada, 68,691,205 (102,882,268); United States, 86,640 (2,191,927); Argentine, 53,803,683 (33,178,430); Australia, 41,838,369 (50,433,050); Russia, 14,925,079 (3,960,702); and other countries, 20,760,556 (11,729,430). World wheat import requirements for the crop year 1934-35 (ending July 31) were placed by the World Wheat Advisory Committee at 600,000,000 bushels, the Broomhall estimate for that year being 576,000,000. Both estimates indicated the probability of a considerable advanced demand in 1934-35 over the preceding year, due to the diminished yield in 1934. While these figures anticipated an improvement in world wheat trade ranging from 50 to 75 million bushels, the estimated requirements for 1934-35 were considerably below actual wheat movement since 1926-27, which were as follows:

World Wheat Imports

1926-27	814	million bus.		1930-31	788	million bus.
1927-28	792	"	"	1931-32	770	" "
1928-29	928	"	"	1932-33	615	" "
1929-30	613	"	"	1933-34	523	" "

Canada's Wheat Stocks in 1934. On July 31, 1934, the total stocks of Candian wheat in Canada, (not including the 1933-34 crop) were, according to the Dominion Bureau of Statistics, 193,322,863 bushels—18,417,325 bushels less than the total of 211,740,188 bushels for the same date in 1933. Canadian wheat in elevators and afloat in the United States amounted to 9,954,252 bushels on July 31, 1934, as compared with 6,220,210 bushels on July 31, 1933. The total quantity of Canadian wheat in Canada and the United States on July 31, 1934, was 203,277,115 bushels, as compared with 219,428,398 bushels, the revised total for July 31, 1933. According to the Preliminary Report on the Grain trade of Canada, issued by the Dominion Bureau of Statistics, December, 1934, the 1933-34 wheat crop was then estimated at 269,729,000 bushels, a decrease of 173,332,000 bushels from the previous year (a third estimate at Jan. 31, 1935, was 275,849,000 bushels). With this amount, 269,729,000 bushels, the carryover of wheat in Canada on July 31, 1933, which amounted to 211,740,188 bushels, and imports of 413,165 bushels, made the total wheat available during the crop year 1933-34 for distribution, 481,882,353 bushels.

Disposition of the crop of 1933-34 was estimated as follows: shipped to the United States, 218,814 bushels; to the United Kingdom, 114,858,191 bushels; to other countries, 55,157,008; milled for domestic consumption, 43,621,000 bushels; for export, 24,545,862 bushels; total disposed of commercially, 238,400,875; feed for live stock and poultry, 20,395,000 bushels; used for seed, 33,182,700 bushels; in store, 193,322,863 bushels; loss in cleaning, 4,500,000 bushels; grain not merchantable, 2,965,400. These figures accounted for 492,766,838 bushels, making an under-estimate of 10,884,485 bushels.

The wheat crop of the Prairie Provinces in 1933-34 was estimated in August, 1934, at 250,841,000 bushels. (See later estimates on preceding pages). Including the carryover on farms on July 31, 1933, amounting to 11,026,000

bushels, the total estimated available wheat supply for the crop year 1933-34 was 261,867,000 bushels. The estimated disposition was: marketings, 227,011,000 bushels; seed, 26,628,000 bushels; feed, 8,679,000 bushels; unmerchantable 2,603,000 bushels; country millings, 1,921,000 bushels; carryover on farms July 31, 1934, 7,671,000 bushels; and total disposition, 274,513,000 bushels, indicating an under-estimate of 12,646,000 bushels.

Wheat quotations averaged 68.1 cents for No. 1 Northern during the crop year 1933-34, an advance of 13.8 cents per bushel over the previous year's average of 54.3 cents for the same grade. The monthly averages for No. 1 Northern ranged from 60.2 cents in December, 1933, which was the lowest, to 82.0 in July, 1934, which was the highest monthly average for the same grade during the crop year.

The total export of wheat from Canada in the crop year 1933-34, amounted to 170,234,013 bushels, of which 117,685,983 bushels were consigned to British Empire countries, and 52,548,030 to foreign countries. Of the British shipments, 114,858,191 bushels were carried to the United Kingdom. The next export in point of size was to the Netherlands, and amounted to 13,707,703 bushels. Belgium followed with 12,124,433 bushels; France, 8,662,324 bushels; Germany, 6,217,111 bushels; Japan, 4,081,296 bushels; Irish Free State, 2,490,889 bushels; Italy, 2,090,389 bushels; Denmark, 1,511,323 bushels; and Norway, 1,414,873 bushels.

Exports of Canadian Wheat and Flour by Countries

Exports by Countries		Twelve Months Ended July 1933	1934
Wheat—			
To United States	bush.	304,976	218,814
	$	169,709	144,986
To United Kingdom—			
via United States	bush.	54,751,714	44,665,572
	$	29,951,033	30,489,547
via Canadian Atlantic Seaboard	bush.	40,652,827	39,465,174
	$	24,762,536	29,750,577
via Canadian Pacific Seaboard	bush.	58,912,269	28,856,161
	$	29,760,274	18,808,292
via Churchill	bush.	2,144,926	1,871,284
	$	1,249,143	1,642,405
Total to United Kingdom	bush.	156,461,736	114,858,191
	$	85,722,986	80,690,821
To Other Countries—			
via United States	bush.	47,608	14,087
	$	26,834	16,741
via Canadian Atlantic Seaboard	bush.	45,159,195	34,964,721
	$	28,882,559	26,370,521
via Canadian Pacific Seaboard	bush.	37,572,040	19,341,605
	$	19,064,798	12,993,120
via Churchill	bush.	591,013	836,595
	$	354,600	794,765
Total to Other Countries	bush.	83,369,856	55,157,008
	$	48,328,791	40,175,147
TOTAL WHEAT	bush.	240,136,568	170,234,013
	$	134,221,486	121,010,954
Wheat Flour—			
To United States	brl.	658	3,737
	$	1,895	16,314
To United Kingdom—			
via United States	brl.	156,243	27,688
	$	425,288	93,045
via Canadian Atlantic Seaboard	brl.	1,957,596	2,361,152
	$	6,436,530	8,023,864
via Canadian Pacific Seaboard	brl.	253,298	266,061
	$	764,602	970,902
via Churchill	brl.	4,926	.....
	$	12,630	.....
Total to United Kingdom	brl.	2,372,063	2,654,901
	$	7,639,050	9,087,811

Exports by Countries		Twelve Months Ended July 1933	1934
To Other Countries—			
via United States	brl.	339,376	415,141
	$	1,038,335	1,597,575
via Canadian Atlantic Seaboard	brl.	1,641,801	1,482,430
	$	5,577,169	5,574,637
via Canadian Pacific Seaboard	brl.	1,016,715	898,427
	$	2,843,811	3,201,315
Total to Other Countries	brl.	2,997,892	2,795,998
	$	9,459,315	10,373,527
Total Wheat Flour	brl.	5,370,613	5,454,636
	$	17,100,260	19,477,652
TOTAL EXPORTS OF WHEAT AND FLOUR	bush.	264,304,327	194,799,875
	$	151,321,746	140,488,606

NOTE.—On the average, one barrel of flour equals 4½ bushels of wheat.

The Board of Grain Commissioners. The Board of Grain Commissioners for Canada (consisting of E. B. Ramsay, Chief Commissioner; D. A. MacGibbon, Commissioner; and C. M. Hamilton, Commissioner) reported in January, 1934, that during the fiscal year 1933 it had limited the inspection and weighing services at Moose Jaw and Saskatoon to grain billed to those points, and that it had reduced seasonal and temporary staffs by 44 employees without in any way impairing the efficiency of the services. The expenditures of the Board were: $2,306,269 in 1931-32, $2,026,412 in 1932-33 and it was estimated they would not exceed $1,800,000 in 1933-34. A thorough study of the Eastern warehouse situation was made during the period with a view to drawing up rules and regulations which would be adaptable to the movement of traffic from the head of navigation on the Great Lakes to Atlantic ports. After conferring with all parties interested the Board passed Regulation No. 35. It was believed that the system as devised would facilitate the movement of grain through the Eastern Division by giving the banks the security that they considered necessary in financing the movement.

After further investigation into the effect of allowing Garnet Wheat to be placed in No. 2 Manitoba Northern Wheat, the members of the Board were substantially in agreement that Garnet Wheat should be given an independent classification, but in view of the low price of wheat, and the difficulties of the wheat producer, they did not consider it advisable at the time to make any change. During the Summer months an inspection was made of 495 country elevators, of which 110 were in Alberta, 174 in Saskatchewan and 211 in Manitoba. Where there had been an overage in any of these elevators in successive years, investigations had been instituted; in 42 instances in Manitoba, 82 in Saskatchewan and 38 in Alberta. Operation of the interior terminal elevators of the Canadian Government continued to present a serious problem. Originally, these elevators served a useful purpose by providing reserve storage space, but due to the opening of the Pacific route, competition from private enterprise and the reduction in the size of the grain crop, the large elevators at Calgary, Edmonton, Moose Jaw and Saskatoon had not been used to any great extent. The Lethbridge elevator had been almost unused and very little grain was stored in the Government elevator at Port Arthur. The Board had re-leased its Prince Rupert elevator to the Alberta Pool and its elevator at Port Arthur to the McCabe Grain Company, the highest tenderer.

Early in 1933 it was shown to the Board that rates of six cents a bushel on wheat were being made from the head of the Lakes to Sorel and Quebec, while the rate of six and one-half cents was being charged to Montreal. The Board thereupon issued an order making the maximum rate to St. Lawrence Ports six cents a bushel. The order was suspended on assurances being given that further discrimination would cease. Subsequently, competition led to the effective rate falling to four cents a bushel during the balance of the season of 1933 and much grain was carried at an unremunerative rate.

The Board continued to wind up the distribution of the wheat bonus of five cents a bushel provided by the Act Respecting Wheat (21-22 George V. Chap. 60). The net payments on Dec. 28, 1933, and certificates outstanding, were $12,717,480 with respect to 254,248,049 bushels of wheat. The Wheat Bonus Branch was closed at the end of June, 1933, and the work transferred to the Accountants Branch.

Among the special investigations and work carried out by the Dominion Grain Research Laboratory at Winnipeg, Man., during the year were surveys of the following: (1) the protein content of the contract grades of Hard Red Spring wheat grown in Western Canada during 1933; (2) the mean protein content of the contract grades of wheat grown in the three Prairie Provinces for the years 1929 to 1933 inclusive; (3) the protein content of Durum wheat grown in Canada during 1932; (4) factors responsible for the inferior Drying Quality of the oil from the 1932 flax crop; (5) the oil content and quality of Winnipeg averages of the 1933 flax crop; (6) the comparative quality of wheat cargoes ex-Atlantic and ex-Pacific coasts; (7) further tests with artificially dried wheat; (8) the milling and baking quality of severely bleached wheat; (9) the milling and baking characteristics of Alberta Red Winter wheat; (10) Canadian wheat and flour sales possibilities: (a) the quality of certain flours offered for sale in Venezuela compared with a number of Canadian brands; and (b) the value of Canadian flour for blending with Argentinian flour; (11) special tests for the information of the Chief Inspector; (12) the milling and baking characteristics of the crop of 1933; and (13) the supervision of moisture testers.

The final report on the Protein Content of the 1934 Western Canadian Wheat Crop stated: "The mean protein content for all samples tested is 14.1 per cent., as compared with 13.9 per cent. for the 1933 survey. The higher value for the present crop is reflected in the extension of the high protein areas further to the North. It should be borne in mind that the computations are based solely on the number of samples tested, and, therefore, do not take into consideration the relative volumes of wheat produced in the various districts."

Canadian Co-operative Wheat Producers Limited. The Directors of the Canadian Co-operative Wheat Producers Limited (L. C. Brouillette, President), in their Report for the crop year 1933-34, expressed confidence in the prospects for the ensuing year—they re-affirmed their stand in support of the London World Wheat Agreement, and expressed the belief that a permanent and continuous adjustment of the supply of and demand for wheat could only be brought about by international co-operation. The Directors ventured the opinion that if nations could not get together to adjust the comparatively simple problem of world trade in wheat, in which there are only four major exporting countries, there was not much hope of arriving at arrangements for controlling the manufacture of armaments, necessary to world security and peace. As to control of wheat production in Canada, the Board reiterated the view that the most practicable way was by control of deliveries on a bushelage basis, and registered their unanimous opposition to any proposal of compulsory legislation to restrict acreage. The Board supported uniform legislation by the three Western Provinces for the control of wheat deliveries from individual farmers on an equitable quota basis. The enactment of this legislation by the Provinces concerned, and the passage of the new Natural Products Marketing Act by the Dominion, provided the powers necessary to deal with the situation. The Board urged upon the Dominion Government that a National Wheat Board offered the most satisfactory method of marketing the Canadian wheat crop, failing which a continuation of stabilization operations was necessary for the 1934-35 Season in order to avoid the danger of a drastic decline in prices in Canada with the delivery of the new crop.

Finally it was pointed out by the Board that the great economic problem of the world had shifted from production to distribution. Man had learned how to create abundance, but not how to put it at the service of humanity.

The hope of civilization was in the extension of the co-operative movement, not only within the nation but among the nations. Unrestrained competition would only intensify the distress born of poverty; interational co-operation would bring peace and security.

In the Fourth Report of the General Manager, John I. McFarland, the conviction was expressed that the Wheat Agreement had produced beneficial results by the increased spirit of international confidence, and by a reduction of 6 per cent. in the world's wheat acreage, exclusive of Russia and China. The world had been for several years carrying a surplus of 450 million bushels of wheat in excess of normal carryovers, but it was believed that during the current year 75 per cent. of this excess surplus would be absorbed through usual consumptive uses. Mr. McFarland drew attention to the likelihood of a scarcity of coarse grains and fodder for animal food during the Spring and Summer of 1935, in consequence of the short feed crops throughout the Northern hemisphere, and he urged that the Western country take a forward view by conserving a plentiful supply of suitable seed oats and barley so as to be in readiness to extend the acreage of feed grains to build up the reserve of animal feeds necessary to the success of balanced agriculture in Canada.

The three Wheat Pools of the Prairie Provinces reported progress during 1934, though the gratification was offset by the knowledge of the distress amongst the Western farmers. In spite of less than average crops the organizations had been able to meet all commitments, and to increase their reserves.

The grain handled by the Western Pool elevators in 1933-34 was reported at 96,781,609 bushels, of which the Manitoba Pool had 9,323,532 bushels, the Saskatchewan Pool, 60,367,633 bushels, and the Alberta Pool, 27,090,444 bushels.

Manitoba Pool Elevators Limited, had net operating earnings of $361,048. It paid $233,741 to the Manitoba Government annual instalment of principal and interest on account of Government guarantee with reference to Pool over-payment to farmers on 1929 crop deliveries; five per cent. depreciation on elevator system was put aside; and $125,000 was transferred to reserve account.

The Saskatchewan Wheat Pool had net operating earnings of $1,000,000. It paid to the Saskatchewan Government, with reference to 1929 Pool overpayment to farmers, $1,132,304; and set aside five per cent. depreciation on elevator system. The working capital fund of the Pool stood at $6,017,831.

The Alberta Wheat Pool had net operating earnings of $877,517. It paid to the Alberta Government, with reference to 1929 pool over-payment to farmers, $455,425. It set aside five per cent. depreciation on elevator system; paid $250,000 on Vancouver terminal and increased its working capital fund by $293,383.

Growers' Associations. The Twenty-Eighth Annual Report of the United Grain Growers and subsidiary Companies for the year ended July 31, 1934, showed a profit of $963,880 for the year before making deductions for interest, taxations and other overhead expenses amounting to $747,596—leaving a favourable balance of $216,284. The Company paid a dividend of 4 per cent. to its shareholders and carried forward on July 31, 1934, an earned surplus of $528,197. At the end of the crop year 1933 the Company held the largest inventory of grain it had ever carried, namely, $8,300,006, and had a correspondingly large total of bank loans, $6,983,914. At the close of the crop year 1934 the grain holdings were reduced to $5,285,748, and the borrowings to $3,784,239. The operations in 1934 yielded satisfactory financial results, earnings being sufficient to cover fixed charges, full depreciation, dividend of 4 per cent., and to provide a reasonable addition to the Company's earned surplus. The officers of the Company were: President, R. S. Law; 1st Vice-President, Hon. J. J. MacLellan; 2nd Vice-President, J. F. Reid; Secretary, C. C. Jackson; Treasurer, J. B. McNair, C.A.; Assistant Secretary and Assistant Treasurer, R. J. Baker, C.A.

The Canadian Seed Growers' Association held its Annual Meeting for 1934 at Macdonald College, Que., June 25, and at Oka Agricultural Institute, La Trappe, Que., June 28, 1934. The Board of Directors reported that during the year 1,003 growers had received services, 1,449 fields had been inspected, and 1,151 certificates had been issued, 883 growers receiving them. Conditions had tended to reduce the membership of the organization, particularly of the casual seed growers, with the result that the membership was composed largely of growers who had produced registered seed crops for a number of years. While there had been a decline in the volume of elite stock seed produced, it was observed that of the varieties of elite stock available there was sufficient to meet immediate requirements. In connection with the elite stocks of 1933 there were two points of interest, namely, (a) the standard of purity of the elite stocks presented was outstanding, and (b) the growers presenting stocks were largely the older established elite stock seed growers who had been members of the Association for a number of years. Acting on the recommendation of the Plant Breeders' Committee, plans had been made two years previously to have growers of open pollinated crops procure from a common source each year the seed needed for the planting of a registered crop. The plan first tried out with the swede and corn growers had so far been very satisfactory, and it was proposed to extend it to include all open pollinated crops, such as corn, roots, vegetables, grasses, clovers, etc. Samuel Larcombe of Birtle, Man. was elected an Honorary Member of the Association in recognition of the services he had rendered to the cause of seed improvement during forty-five years. The following officers for 1935 were re-elected: President, R. Summerby, Macdonald College, Que.; Vice-President, F. W. Townley-Smith, Lashburn, Sask.; Secretary-Treasurer, W. T. G. Wiener, Ottawa.

Potato Production. During the year ended Mar. 31, 1933, Canada produced 41,296,000 cwt. of potatoes, according to figures given by the Monthly Bulletin of Agricultural Statistics. This was an increase of 1,880,000 cwt. over the preceding year, when the production fell to 39,416,000 cwt. Exports of potatoes amounted to 1,625,000 cwt. in the year ended Mar. 31, 1934, as compared with 1,117,000 cwt. in the preceding year. There remained on Mar. 31, 1934, in farmers' hands 12,272,000 cwt., as compared with 11,880,000 cwt. at the same date in 1933. The area sown with potatoes in 1933 was 527,700 acres, being 6,200 acres more than the area sown in 1932. It is noteworthy that notwithstanding the increased production the quantity of non-merchantable potatoes was reduced from 3,581,000 cwt. in 1932 to 3,060,000 cwt. in 1933. (For 1934 figures see also Table of All Field Crops—third estimate).

Tobacco. The estimated yield of tobacco in Canada in 1933 was 39,400,500 lb., valued at $5,201,400, grown from 45,953 acres. In 1932 the crop was 54,094,000 lb. valued at $6,088,300, grown from 54,138 acres. The tobacco production of Ontario was 32,996,200 lb. in 1933; Quebec produced 6,095,000 lb.; British Columbia, 309,300 lb. The average yields per acre, in pounds, in 1933, were as follows (figures for 1932 in brackets): Canada, 857 (999); Ontario, 839 (1,014); Quebec, 1,001 (933); British Columbia, 576 (746). The average prices per pound in cents in 1933 (figures for 1932 in brackets) were: Canada, 13 (11); Ontario, 15 (12); Quebec, 4 (4); British Columbia, 19 (15). During the growing season conditions were unfavourable. Ontario suffered from long continued dry weather so that much of the crop was so badly burned in the field that it was not harvested, and the yield and quality were severely reduced. On the other hand, an otherwise satisfactory season in Quebec was spoiled by heavy rains toward the end of August. In British Columbia conditions were reasonably good, though the season was backward. In general the market was most unsatisfactory. The crop evaluation service, together with the joint marketing activities of the growers' associations, aided by the financial support of the Ontario Government, did much to prevent the recurrence of the panic-selling which featured the 1932 market.

At a conference lasting four days, late in October, 1934, at Simcoe, Ont., between representatives of the Ontario flue-cured tobacco growers and the tobacco manufacturers, an agreement was reached establishing 24.77 cents as the 1934 crop price on which all appraisals of Ontario flue-cured tobacco would be based, subject to final adjustment. The proposal to establish the Ontario Tobacco Marketing Board, to function under the Natural Products Act was approved.

Live Stock. In the introduction to this Section the values and numbers of the live stock are given along with other agricultural statistics. Further information relating to the marketing of live stock and meats was furnished by the Report on Live Stock and Animal Products, 1933, issued by the Dominion Bureau of Statistics in September, 1934. The Report stated that the live-stock industry in 1933 could hardly be termed profitable, though there were some encouraging features in the situation. Hogs made a good price recovery. Sheep and lamb prices also improved, particularly during the latter part of the year. Cattle and calves sold at unusually low prices, establishing a new low record over many years. Butter prices were better than in 1932, and cheese prices about on the same level, while the price of wool showed marked improvement. In 1933 the sales of live stock at the principal markets, and average prices per cwt. were: cattle, 604,337 at $3 (1932: 569,633 at $3.60); calves, 317,334 at $3.75 (1932: 300,176 at $4); hogs, 1,047,941 at $5 (1932: 1,212,821 at $3.95); sheep, 471,566 at $5.35 (1932: 465,034 at $4.80). Live stock slaughtered in inspected establishments in 1933 numbered: cattle, 654,000 (1932: 553,142); calves, 438,428 (1932: 382,440); sheep, 868,679 (1932: 788,222); hogs, 2,802,377 (1932: 2,722,825). The total value of all products of packing houses and abattoirs in 1932 was $91,246,523, as compared with $117,596,697 in 1931. The consumption of meats in Canada in 1933 was estimated at 1,463,000,000 lb., a decrease of 98,000,000 lb. from the estimate of the previous year. Beef figures showed an increase, while pork and mutton showed decreases. The per capita consumption of beef was 56.09 lb. in 1933, as against 56.02 lb. in 1932; pork, 74.58 lb. in 1933 and 85.61 lb. in 1932; mutton and lamb, 6.32 lb. in 1933, 6.97 lb. in 1932.

The foreign trade in live stock showed some improvement in 1933. Exports of live cattle rose from 33,285 head, valued at $2,130,222 in 1932 to 60,134 head, valued at $3,669,394 in 1933. The exports of live cattle to the United Kingdom expanded from 16,568 head in 1932, to 50,317 head in 1933. There were slight increases in exports of sheep and swine. The export situation in meats showed some improvement, also chiefly because of the increased shipments of beef and bacon to the United Kingdom. Beef prices being low the value of exports did not rise in proportion to volume but pork made some recovery. Mutton and lamb exports increased slightly, but prices were lower. Beef exports in 1933 reached 10,009,700 lb., valued at $583,010, as against 4,466,400 lb., valued at $383,526 in 1932. Pork exports were 79,302,600 lb., valued at $8,907,309 in 1933, and 46,061,200 lb., valued at $4,705,216 in 1932. Mutton and lamb exports were 406,500 lb., valued at $47,832 in 1933, as against 348,100 lb., valued at $47,567 in 1932.

The outlook of live-stock export for 1934 was considered in the *Fourteenth Annual Market Review 1933,* issued by the Federal Department of Agriculture in 1934. It was observed that prices for good cattle had improved considerably since the beginning of the year, and up to the end of the first quarter had been unusually steady on the best qualities. Should Great Britain's efforts to improve live-stock prices for the British farmer prove successful, the situation would be most favourable for Canadian cattle imports. The voluntary restriction of the Canadian movement during 1934 to the basis of the movement of the corresponding quarters of 1933, did not appear at the moment to be particularly detrimental in view of an apparently moderate volume of exportable qualities of cattle.

The Dominion Agricultural Credit Company Limited, organized to provide credits for the extension of the live-stock industry in Western Canada, had, according to the Report presented to the shareholders at the Annual Meeting

in Regina, Apr. 3, 1934, a subscribed capital of $3,386,600, of which $341,040 was paid up. The operations during 1933 resulted in a deficit of $15,717, which added to previous deficits of $23,605, made the total deficit of $39,322 carried to the balance sheet. The Company's assets included accounts receivable under conditional sale agreements and chattel mortgages of $46,702 in respect of cattle and $4,497 in respect of sheep. It had placed under contract with farmers for breeding on shares some 8,700 sheep, at an initial cost of $44,064, representing with expenses an asset of $59,448. At the close of the year 1933 the Company held about $187,576 of its paid-up capital in cash or Government securities. The Directors reported that applications for cattle had fallen off in 1933, but that customers supplied had been pleased with the cattle received and with the financial returns. The current outlook for the cattle industry was better than it had been since the Company began to operate. The breeding and raising of sheep on shares had been a decided success, particularly as far as farmers were concerned. The policy of the Company was not to place a flock of less than 25 ewes, nor more than 200 as the original flock. Flocks had been placed with 95 farmers and a frequent supervision maintained, which was helpful to the farmer. The Directors were of the opinion that this branch of the live-stock industry fitted in well with wheat farming, and would be firmly established when conditions were favourable. Applications for about 4,000 additional sheep were on hand. On account of poor health the Hon. J. D. McGregor had been compelled to resign the Presidency. The officers chosen for the ensuing year were: President, W. W. Sharp, Stettler, Alta.; Vice-President, H. O. Powell, Regina; Secretary-Treasurer, H. W. Cookson.

At a meeting of the Directors of the Company held in Regina, July, 1934, it was decided to advance money to stock breeders and feeders of Manitoba, Saskatchewan and Alberta, to assist them in carrying young cattle through the Winter, and improving them in size and quality for Spring selling, provided guarantees of the safety of the investment could be reasonably assured. It was expected in this way to place between 5,000 and 10,000 cattle on feeder farms, chiefly in Alberta and Saskatchewan during the Winter of 1934-35.

The Dairy Industry. The output of Canadian dairy products during 1933 was valued at $167,488,321. In 1932 the aggregate value was $159,074,133; in 1931 it was $191,389,692; and in 1930, $237,068,157. These figures included: dairy butter; creamery butter; home-made cheese; factory cheese; miscellaneous factory products; and milk otherwise used.

Milk production rose steadily in Canada during the four years prior to and including 1933. From 1930, when milk production was 15,126,459,000 lb., to 1933, when it reached 16,024,831,000 lb., there was an increase in the annual output of 898,372,000 lb. During this period there was an upward trend in dairy production in all Provinces, with the possible exception of Quebec, which produced more in 1930 than in any of the three subsequent years, though it strengthened its position in 1932 and 1933. Adverse climatic conditions in 1933 were more than offset by the increased numbers of milch cows on farms. The value of all dairy products by Provinces in 1933 was: Prince Edward Island, $1,487,521; Nova Scotia, $4,941,300; New Brunswick, $4,317,500; Quebec, $43,193,400; Ontario, $70,606,500; Manitoba, $10,796,100; Saskatchewan, $12,313,100; Alberta, $12,723,500; and British Columbia, $7,109,400.

Consumption of butter in Canada in 1933 was 320,821,718 lb., as compared with 323,890,300 lb. produced, so that if no butter had been exported or imported the surplus over domestic needs would have been only 0.95 per cent. The per capita consumption of butter was 30.2 lb. Cheese consumption amounted to 35,255,660 lb. or about 3.3 lb. per head. Canada exported 4,401,900 lb. of butter and imported 2,602,744 lb., showing a balance of 1,799,156 lb. of exports over imports. Cheese exports, although considerably reduced in recent years, amounted to 74,966,900 lb., and imports to 957,478 lb. Of the exports of cheese 95.3 per cent. went to the United Kingdom. Concentrated milk products exported amounted to 24,461,600 lb., of which 72.9 per cent. went to the United Kingdom and 19.9 per cent. to other Empire countries.

Creamery butter production in Canada in the year 1933 amounted to 218,532,307 lb., an increase over the preceding year of 4,530,180 lb., or 2 per cent. The total value of the butter made increased to $43,381,524 from $40,475,479 in 1932, an increase of $2,906,045, or 7 per cent., while the average factory price per lb. rose to 19.85 cents from 18.91 cents. The production of 1933, with respect to quantity, was the second largest in the history of the industry, being exceeded only by the year 1931.

The output of factory cheese in 1933 totalled 111,044,628 lb., a decrease from the preceding year of 9,479,615 lb., or 8 per cent. The total value of the cheese made was $11,113,918, a decrease of $266,004 or 2 per cent. The average factory price per lb. advanced to 10.01 cents from 9.44 cents in 1932. All Provinces showed decreased production compared with 1932 excepting Manitoba, Saskatchewan and British Columbia, where increases were shown.

The total value of concentrated milk production (condensed and evaporated milk, whole milk and skim milk powder, condensed buttermilk and buttermilk powder, casein, etc.) during the year 1933 was $5,538,276, the principal item being evaporated milk with a product valued at $3,335,684, or 60 per cent. of the total value of all items. Increases over 1932 were noted for all of the principal items excepting condensed milk.

The total value of miscellaneous factory products, including all products of dairy factories excepting butter, cheese and concentrated milk, i.e., whey butter, ice cream, milk and cream sold as such and sundry items, in 1933 was $26,622,025 in comparison with $28,297,454 in the preceding year.

The production of the dairy factories in Canada in 1933 was valued at $86,655,743, as compared with $86,105,802 in 1932. There were in operation 2,716 dairy factories in 1933, of which 1,236 were creameries, an increase of 17 over 1932; 1,126 were cheese factories, a decrease of 46; 331 were combined butter and cheese factories, an increase of 14; and 23 were concentrated milk plants, a decrease of 3. Altogether, there was a decrease of 18 dairy factories during 1933.

Poultry and Eggs. Hens and chickens on farms and elsewhere in Canada numbered 65,508,400 in 1933, which was an increase of about 100,000 over the previous year. There were sold or killed in 1933 16,377,100, having an estimated dressed weight of 81,885,500 lb. Exports were placed at 131,247 lb., showing a total domestic consumption of 81,754,253 lb. The consumption per capita in Canada for the year was 7.65 lb., being slightly less than during the previous year when it was 7.70 lb. Turkeys in Canada numbered 2,596,200; the estimated dressed weight of turkeys sold was 20,250,360 lb., and the per capita consumption was 1.78 lb. The estimated dressed weight of ducks sold was 4,513,903, and the per capita consumption 0.42 lb. Geese sold had an estimated dressed weight of 8,846,100 lb.; per capita consumption being 0.83 lb. (For total numbers and value of farm poultry see subsection: "Agriculture; Values and Production").

The total production of farm eggs in 1933 in Canada (*Agricultural Statistics*, April, 1934) was approximately 210,585,000 doz., valued at $26,345,000, as against 229,461,000 doz. in 1932, valued at $29,830,000. There were 22,898,000 egg-producing hens on the farms with an average production per hen of 110 eggs, as compared with 24,806,000 hens in 1932, with an average production of 111 eggs. In 1924 the average production per hen was 79 eggs. The average value of eggs per dozen was 12 cents in 1933, and 13 cents in 1932. The figures relate only to eggs produced by hens on farms, and do not include eggs of urban poultry or of farm turkeys, ducks, or geese.

Fruit, Floriculture, Honey, Maple Syrup and Sugar. The Annual Statistics of Fruit and Floriculture for 1933, issued by the Dominion Bureau of Statistics, July, 1934, recorded a late growing season following a very severe Winter, causing a considerable amount of Winter-killing of small fruits. Nevertheless, there was a commercial fruit production during 1933 valued at $16,224,000, as compared with $11,989,900 in 1932. By Provinces

the fruit yield in 1933 (figures for 1932 in brackets) was: Nova Scotia, $3,776,000 ($1,689,000); New Brunswick, $171,800 ($165,400); Quebec, $1,420,700 ($1,198,000); Ontario, $5,354,500 ($3,957,500); and British Columbia, $5,501,000 ($4,980,000).

The crop of commercial apples in 1933 was estimated primarily at 5,329,800 bbl., valued at $10,464,800, as compared with 3,737,960 bbl. in 1932, valued at $7,707,900, the finally revised estimate for that year. The average price in 1933 per barrel was $1.96, a slight advance on the figure for 1932 which was $1.87.

The yield and the value of other fruits for 1933 and 1932 were as follows:

	1933		1932	
	Quantity	Value	Quantity	Value
Pears	469,785 bush.	$ 567,300	374,500 bush.	$ 298,000
Plums and Prunes	226,859 "	257,400	243,000 "	226,800
Peaches	802,248 "	1,146,300	812,500 "	907,000
Apricots	22,841 "	84,000	56,000 "	133,000
Cherries	215,406 "	494,600	258,500 "	500,500
Strawberries	22,742,700 qts.	1,847,200	24,533,000 qts.	1,440,700
Raspberries	6,376,300 "	717,100	9,128,900 "	780,700
Grapes	42,230,000 lbs.	645,300	49,694,000 lbs.	695,300

The total value of floricultural and decorative plant production in Canada was $1,451,477 during the year ended May 31, 1933, including $897,733 for cut flowers. For the corresponding period in the previous year the total production value was $1,607,096, including $1,093,927 for cut flowers.

The twelfth Annual Meeting of the Canadian Horticultural Council was held at Ottawa, Feb. 13-15, 1934. The Secretary-Treasurer, L. F. Barrows, reported a slight improvement in the price situation and drew attention to the value of the British market during the year to the apple producers; there had been an increase of 128 per cent. in the barrels of apples exported. He observed that had exports of Canadian apples been limited to the previous year's quantity there would have been a good many thousand barrels of apples left on trees in Canada as not worth picking. Unfortunately, however, the industry was not so organized as to enable it to deal effectively with its problems, but steps were being taken with this end in view. The major efforts of the Council had been directed during the year toward marketing legislation, a revision of the tariff on fruits, vegetables and nursery stock, and the revision of the Fruit Act. As to the future, it was pointed out that the industry had launched upon a programme of better grading, through the new Fruit Act, of fair and equitable dealings, through the Perishable Products Act, and of organized domestic and export marketing through the Agricultural Marketing Act. To obtain the full advantage of these enactments required the concentration of its best ability and thought, and the submerging of local and individual differences for the general welfare.

Among the resolutions adopted by the Meeting were motions: that the Fruit Act and the Root Vegetables Act be combined; approving of the highway inspection of trucks by fruit and vegetable inspectors; that inspectors be empowered to inspect for undergrading, for improper culling and for overgrading; that standard containers be established for cabbage and head lettuce, and for a standard cherry box; that the round bottom bushel basket be cancelled as a standard package; that grades be established for cabbage, carrots, beets, parsnips and head lettuce; that a basis of weight be established for a bag of potatoes; approving of a marketing measure embodying the principles of the British Agricultural Marketing Act; requesting an inquiry by the Dominion House of Commons into the effect of mass buying by departmental and chain store organizations upon the retail trade of the country and upon manufacturers and producers, and that a Commissioner be appointed to secure evidence as to the effect of these operations on the fruit and vegetable industry; requesting that the purchase of canned goods by Governments be confined to factories paying a fair price for the raw product, such goods to be of Canadian origin only; paying tribute to the valuable work of the late Dr. W. T. Macoun, formerly Dominion Horticulturalist, and approving of

the erection of a Rock Garden to his memory by popular subscription at the Central Experimental Farm, Ottawa.

Honey production in Canada in 1933 amounted to 19,543,500 lb., valued at $1,706,800, compared with 19,470,500 lb. in 1932. The average price per pound in 1933 was 9 cents, as against 8 cents in 1932. There were marked increases in Quebec, Saskatchewan and Alberta, as well as smaller increases in New Brunswick and British Columbia. The production was slightly lower in Ontario, Prince Edward Island and Nova Scotia, and Manitoba experienced a sharp decrease. Exports of honey in 1933 amounted to 2,806,770 lb., valued at $281,657, as compared with 2,298,350 lb. in 1932, valued at $193,013. Imports of honey were relatively small, amounting to 21,124 lb. in 1932, valued at $1,912, and 28,770 lb. in 1933, valued at $3,141.

The estimated production of maple sugar in Canada in the Spring season of 1934 was 4,954,400 lb., valued at $577,850, as compared with 5,785,130 lb., valued at $499,713 in 1933. Maple syrup yielded 1,842,500 gal. in 1934, valued at $2,468,800; and 1,262,315 gal. in 1933, valued at $1,559,628. The combined total of the industry was thus $3,046,050 in 1934, as compared with $2,059,341 in 1933, an increase of $987,309, or 47.9 per cent. in 1934.

According to a Summary of Sugar Reports for 1934, issued by the Dominion Bureau of Statistics, January, 1935, the stocks of raw sugar on hand at Dec. 31, 1934, amounted to 126,718,245 lb. as compared with 91,958,851 lb. in 1933, the receipts of raw sugar for the year 1934 were 844,762,781 lb. (1933, 742,125,449 lb.), and the melting and shipments were 796,933,186 lb. (1933, 766,974,723 lb.). The quantity of (cane and beet) granulated sugar manufactured was 762,065,225 lb.; yellow and brown, 112,601,838; total, 874,-667,063 (1933 total, 881,877,554 lb.). The total shipments in 1934 were 916,107,851 lb., as compared with 861,949,313 lb. the previous year.

Fur Farms and Fur Production. The number of fur farms in operation in Canada in 1932 was 6,296, as compared with 6,541 in the preceding year, (according to the *Monthly Bulletin of Agricultural Statistics* for March, 1934). The total value of the property in 1932 was $12,724,395, comprising $5,969,633 in lands and buildings, and $6,754,762 in fur-bearing animals. Compared with 1931 the value of land and buildings showed a decrease of $1,125,478, or 16 per cent., and the value of animals a decrease of $1,742,475, or 21 per cent., the latter decrease being chiefly due to the lower values accorded to fur-bearing animals and to a reduction in the number of silver foxes on the farms at the end of the year. By Provinces, the number of farms and their value in 1932 were as follows: Prince Edward Island, 607, $877,857; Nova Scotia, 618, $236,760; New Brunswick, 750, $404,237; Quebec, 2,025, $1,055,243; Ontario, 1,108, $1,276,442; Manitoba, 270, $500,333; Saskatchewan, 182, $294,737; Alberta, 352, $769,683; British Columbia, 376, $541,141; Yukon territory, 7, $13,200; and North-West Territories, 1 farm. The value of fur-bearing animals on farms by Provinces was as follows: Prince Edward Island, $941,162; Nova Scotia, $361,461; New Brunswick, $621,388; Quebec, $1,409,895; Ontario, $1,398,884; Manitoba, $508,866; Saskatchewan, $349,728; Alberta, $802,564; British Columbia, $354,824; Yukon Territory, $5,630; and North-West Territories, $360. The revenue derived by the fur farms from the sale of fur-bearing animals and pelts in 1932 was $3,289,830, a decrease of $273,630 from the previous year. In 1932 there were 98,677 silver fox pelts sold—the largest number in the history of the industry—for $6,027,501 which was the smallest return in many years.

The value of Canada's raw fur production for the year ended June 30, 1933, was $10,505,154, as compared with $10,189,481 in the previous year. These figures included the value of pelts of fur-bearing animals taken by trappers, and pelts from the fur farms, the value of the latter representing about 30 per cent. of the whole in each year. First in order of value came the silver fox, with a total for the season of 1932-33 of $3,135,885. Next came the muskrat with $1,581,606, and then the mink with $1,438,375. Fourth place was held by the beaver, with a value of $698,660. The value of pelts by Provinces was as follows: Prince Edward Island, $466,244; Nova Scotia,

$477,742; New Brunswick, $593,748; Quebec, $1,558,458; Ontario, $2,167,407; Manitoba, $856,289; Saskatchewan, $1,201,038; Alberta, $1,074,917; British Columbia, $668,030; North-W st Territories, $1,095,226; and Yukon Territory, $146,055.

Canada's Forests and Forest Products Industries

The total area covered by forests in Canada was estimated at 1,153,005 square miles by the Dominion Bureau of Statistics in 1934; of this area, 26,652 square miles consisted of occupied agricultural land still forested. A considerable area, it was stated, was agriculturably valuable and would probably be eventually cleared. Of the whole area covered by forests 1,100,000 square miles are essentially forest land best suitable for forest production. 791,670 square miles are accessible and productive, including 378,945 square miles of merchantable timber and 412,725 square miles of young growth, potentially merchantable timber if protected from fire. The remaining area of 361,330 square miles of forests is considered commercially non-productive, because of the location or growth conditions. Of the accessible and productive forest area, 481,790 square miles was producing softwood or coniferous timber, 213,590 square miles, mixed softwoods and hardwoods and 96,290 square miles, hardwood or broad-leaved species. Of the 12 per cent. of the total forest area permanently dedicated to forest production some 33,023 square miles were national forests till the transfer of the Natural Resources to the Western Provinces in 1930, when they became largely Provincial forests. Only 9.6 per cent. of the total forest area, owned by private individuals and corporations, were permanently alienated, leaving 90.4 per cent. in the hands of the Crown.

The latest available estimates (issued by the Forestry Branch, Dominion Bureau of Statistics, April, 1934) placed Canada's forest resources at 267,733 million cu. ft. of standing timber, capable of yielding 448,255 million feet board measure of sawn lumber and 1,528,767 thousand cords of pulpwood, ties, poles and other smaller materials.

It was estimated that the total forest production in 1932 involved the cutting of 1,882,228,308 cubic feet of standing timber. To this must be added material annually destroyed by fire, which exceeds 230,000,000 cubic feet of merchantable timber and the young growth of 550,000 acres. In addition, insects, fungi and windfall destroy annually at least 700,000,000 cubic feet. Altogether, therefore, the forest resources were depleted in 1932 by considerably more than 2,812,000,000 cubic feet. It was pointed out that an average annual depletion of three billion cubic feet would not necessarily exhaust the forests in ninety years, in view of the probable average annual increment of ten or eleven cubic feet per acre. Although there was little evidence that this increment was then being produced, in Canada the rate of reproduction was being increased through the efforts and studies of the Dominion and Provincial Forest services.

Pulpwood, the foremost forest product in point of value in both Quebec and Nova Scotia, yielded over thirty-six million dollars in 1932 in all Canada. Firewood was second on the list with thirty million dollars, and was the leading forest product in Ontario, New Brunswick, Alberta, Saskatchewan and Prince Edward Island. Logs and bolts, coming third, yielded eighteen million dollars in all Canada and constituted the leading forest product of British Columbia. Poles, hewn railway ties and posts represent about a million dollars each class in value. Altogether, the money yield of the forests of Canada in 1932 was $92,106,252, a decrease of 34.7 per cent., as compared with the yield of 1931, when it was estimated at $141,123,930.

Both in value and volume of production Quebec headed the list, and led also in quantity production of firewood, pulpwood and fence rails. Ontario was second for volume production, coming first in wood for distillation, and second for firewood, pulpwood, hewn ties, poles and square timber. British Columbia headed the list for logs and bolts, hewn ties, poles and miscellaneous

products. New Brunswick led in square timber, Alberta was the largest producer of posts and round mining timber.

An estimate of the investment in the logging industry in 1932, in the form of equipment and improvements to transportation facilities, places the amount at $95,000,000. There were employed in the logging industry at least 60,000 men, working 300 days, labour averaging $2.40 per man-day indicating a distribution of $43,000,000 in wages. Out of a total of over 1,882 million cubic feet of standing timber cut in 1932, about 92.9 per cent. for manufacturing and 7.1 per cent. was exported in a more or less unmanufactured form. The total capital employed in the wood and paper group of industries in 1932 was $954,639,232. The employees numbered 107,834 and received $112,372,202. The net value of production, or value added by manufacture was $227,251,810, and the gross value was $369,601,000. About 15 per cent. of the pulpwood cut was exported before being manufactured into pulp. Of this exported material 85 per cent. was rossed or barked pulpwood whose value was considerably increased by this preparation before exportation. Eighty-one per cent. of the total cut of pulpwood was used as the principal raw material in the pulp and paper industry, the most important of all the manufacturing industries in Canada. The value added to the raw pulpwood by pulp making was over $26,000,000 in 1932. Seventeen per cent. of this pulp was exported, and the remainder was made into paper in Canada, with value added in this stage of the process of over $60,000,000. The value added by manufacture in the pulp and paper industry was over $86,000,000.

A total of 1,757,084,598 cubic feet of home grown and imported forest products was consumed in Canada in 1932, including the wood consumed in the form in which it was taken from the forests, and wood used as raw material in Canadian industry. This material represented over 93 per cent. of the total cut and was tending to increase, while the material exported in the raw, or incompletely manufactured state, was tending to decrease. Less than one per cent. of the raw material used in this industry in Canada was imported.

The announcement was made from London on July 7, 1933, in a Canadian Press Cable, that a group of British importers, known as Timber Distributors Limited, would import 693,000,000 board feet of Russian timber during the next season at a price far below anything with which Canadian timber could compete. The Canadian Government represented to the Imperial authorities that the conditions under which Russian lumber was produced constituted unfair competition with the Canadian product. Section 21 of the Canada-United Kingdom Trade Agreement of the Imperial Economic Conference, 1932, was invoked in this connection with the result that the British Government authorized the Tariff Advisory Commission to inquire into the question of Russian Timber imports. On Jan. 21, 1934, the announcement was made in a Canadian Press Cable from London that the British Government had informed Timber Distributors, Limited, that it might not import into the United Kingdom more than 350,000 standards of Russian wood, a figure 100,000 standards below that contemplated in the firm's 1934 contract. The British Government also informed Timber Distributors that they would not consent to the inclusion of the so-called "fall clause" in the Company's contract. This clause provided for automatic price readjustment on the part of Russia should reductions be made in prices of domestic or other imported timber. A conference of lumber officials was held in Saint John, New Brunswick, on June 14, 1934, at the call of the Hon. L. P. D. Tilley, Prime Minister and Minister of Lands and Mines. Quebec, New Brunswick and Nova Scotia were represented. The conference condemned consignment selling of large lumber shipments on the British Market, favoured a proposal to appoint an official representative in Great Britain of the Eastern Canada lumber industry, and also the formation of an Eastern Canada Lumber Producers Association, to bring about co-operation between Ontario, Quebec, Nova Scotia and New Brunswick, in the interest of the forestry industry generally, on the lines of uniformity of legislation, improvement of methods and stabilization of prices. Commenting on the outcome of the Conference

the Prime Minister of New Brunswick (Mr. Tilley) said: "It was thought best that each Province should first organize an Association on its own basis, getting together after these are formed in an interprovincial Association." (*The Gazette,* Montreal, June 15, 1934).

Statistics of Canada's Principal Forest Products Industries (not included in List of 40 Leading Industries)

(1932—Preliminary)	No. of Plants	Capital Employed	Average No. of Employees	Value of Products
Boat Building	111	$ 2,098,422	424	$ 687,150
Carriage and Wagon	236	3,385,944	687	1,241,885
Cooperage	73	1,834,354	464	1,514,223
Miscellaneous Paper Goods	74	16,250,134	2,569	13,015,035
Miscellaneous Wood using	112	12,950,507	1,461	4,988,823
(1933—Preliminary)				
Blue Printing	18	173,636	80	125,923
Boat Building	111	1,747,655	425	617,327
Box, basket and crate	138	7,367,845	2,849	5,354,858
Coffin and Casket	43	3,755,818	803	2,349,413
Engraving, Stereotyping and Electrotyping	88	9,450,746	2,124	5,172,251
Excelsior	11	304,537	81	136,478
Handle, Spool and Wood-Turning	39	1,564,861	551	1,087,931
Hardwood Flooring	24	4,383,274	1,038	2,638,644
Last, Tree and Shoefinding	12	1,196,819	602	1,200,893
Lithographing	44	12,340,657	2,318	7,812,074
Roofing Paper	12	3,920,706	517	3,920,706
Sporting Goods	33	1,413,332	540	1,096,569
Trade Composition	35	943,279	274	583,047
Woodenware	22	1,136,496	652	873,924

The Pulp and Paper Industry. According to a preliminary report for the calendar year 1933, issued by the Forestry Branch of the Dominion Bureau of Statistics in August, 1934, the pulp and paper industry continued to be the most important manufacturing industry in Canada. The gross value of production in 1933 was $123,415,492, a decrease of nine per cent. from the figure for 1932. In recent years, however, the decline had been much greater. In 1932 there was a decrease of 22.36 per cent.; in 1931 the decrease was 19.98 per cent., and in 1930 it was 12. per cent. Production reached its peak in 1929, when it represented $243,970,761, nearly, but not quite, double the production of 1933. The net value of production was $75,782,971 in 1933, as against $86,677,762 in 1932, a decrease of 12.56 per cent.

There were 70 mills manufacturing pulp in 1933, which produced 2,979,562 tons, valued at $64,114,074, as compared with a production of 2,663,248 tons in 1932, valued at $64,412,453. Thus there was an increase during the year of 11.9 per cent. in quantity, and a decrease of less than one-half of one per cent. in value. Of the total for 1933, the combined pulp and paper mills produced 2,225,540 tons, valued at $37,729,011 for their own use in papermaking, an increase of 6 per cent. in quantity, but a decrease of 12 per cent. in total value. Newsprint paper made up 84 per cent. of the total reported tonnage of paper manufactured in 1933. The newsprint amounted to 2,021,965 tons, valued at $66,959,501, in 1933, as compared with 1,919,205 tons, valued at $85,539,852 in 1932, in increase of 5 per cent. in tonnage in 1933, and a decrease of 22 per cent. in total value. The total capital invested in the manufacturing part of the industry, (operating mills only), was $559,265,544 in 1933, as against $597,550,013 in 1932, a decrease of 6 per cent. Employees numbered 24,037 with a payroll of $26,591,049 in 1933, as compared with 24,561 with a payroll of $28,348,128 in 1932.

Exports of pulp and paper goods during 1932 were valued at $72,396,132. During 1932 the aggregate value was $86,323,539. The gross contribution toward a favourable trade balance by the pulp and paper industry as a whole in 1933, was approximately $94,832,603. It was $102,559,435 in 1932.

At the 21st Annual Meeting of the Canadian Pulp and Paper Association held in Montreal on Jan. 26, 1934, the President, Harold Crabtree, drew attention to the fact that while the depression had continued, and even in-

creased in severity, until about the month of June, 1933, there had been, since that time, a fair measure of improvement, which, while not remarkable, was very welcome. Although all branches of the industry reflected the adverse conditions, newsprint suffered to a greater extent than any other. Production during the first half of the year was below that of the previous year, but the increase in tonnage during the second half had not only offset the loss for the first six months, but had effected an increase in the year's volume of slightly over five per cent. above the previous year. Notwithstanding the increase in volume, however, the price situation was extremely low and unstable. The advent of the N.R.A. in the United States, and the setting up of codes of fair competition, had had the effect of stabilizing the price of newsprint in the United States, and the Newsprint Export Manufacturers' Association of Canada had been formed to co-operate with the industry in the United States in carrying out the newsprint code. The operation of codes of fair competition in the United States had brought about a very decided change in the fortunes and prospects of industries. He urged the Canadian Government to consider some such scheme for the stabilization of Canadian industry. Brigadier-General J. B. White was elected President of the Association for 1934.

The Lumber Industry. Statistics presented in the Report on the Lumber Industry for 1933, issued by the Bureau of Statistics in February, 1935, covered the production of sawn lumber, shingles, sawn ties, box shooks, veneer, spoolwood, pickets, staves, heading and hoops, and the cutting up and barking or rossing of pulpwood. The gross value of the production of this group in 1933 was $39,438,057, an increase of 2.4 per cent. over 1932 when the total value was $38,506,647. There were increases in quantity in all the principal products, except lath and pickets, and increases in total value in all but pulpwood, box shooks, lath, spoolwood, veneer and pickets. Lumber production which amounted to 1,957,989 M f.b.m. in 1933, valued at $27,708,900, had an increase of 8 per cent. in volume and 3 per cent. in value over 1932. Prepared pulpwood came second in importance with an output of 414,037 cords valued at $4,202,761, an increase in volume but a decrease in total and average value. Shingles increased in total quantity and value from 1,802,008 M valued at $3,556,823 in 1932, to 1,939,519 M valued at $4,448,876 in 1933. The total quantity of lath decreased from 208,321 M in 1932 to 151,653 M in 1933 and the value fell from $474,889 in 1932 to $332,364 in 1933. Lumber mills in operation numbered 3,227 in 1933 with an average annual output of 606 M f.b.m. as compared with 3,311 mills in 1932 with an average output of 547 M f.b.m. The total number of employees in all mills on salaries and wages decreased from 18,285 in 1932 to 17,779 in 1933. The total payroll fell from $10,761,090 in 1932 to $10,040,165 in 1933. The total capital invested in the industry in 1933 was $74,304,090 and in 1932, $80,796,425. In 1933 the cost of materials was $22,870,710; gross value of production, $39,438,057, net value of production, $16,567,347; fuel used, $345,881; and power employed 248,102 h.p. British Columbia headed the list in the production of sawn lumber, pulpwood and shingles. New Brunswick came first in lath production. In three Provinces, New Brunswick, Quebec and Alberta, lumber production decreased, but in all other Provinces it increased.

Mining and Metallurgical Industries in 1933-34

Final statistics on the Canadian mineral-producing industries, 1933, issued by the Dominion Bureau of Statistics, Dec. 7, 1934, revealed a capital investment of $810,355,705 in operating mines, smelters, metal refineries, oil and gas fields, clay products plants, cement mills, sand and gravel properties and stone quarries. Data were collected for 10,873 mines, quarries, smelters, etc., which afforded employment to 63,334 persons, who received $70,031,805 in salaries or wages. The net sales of mineral products amounted to $221,754,818, an increase of 12.8 per cent. over 1932. Net sales represented

the proceeds from sales and included the value added by smelting operations. Of the major groups in the industry, metal mining reported 402 individual operations, a capital investment of $406,998,952, and the employment of 25,443 workers, who were paid $37,937,871. There was an income of $150,-145,926 from sales. Sales income from non-metal mining (including fuels) amounted to $54,912,205; sales income from clay products and other structural materials was reported as $16,696,687.

The outstanding feature in Canadian metal mining in 1933 was the almost general expansion in gold mining activities and nickel production. As compared with 1932 gold mining in 1933 showed increases of 116 per cent. in the number of active operators, 22.8 per cent. in the number of employees, 16.1 per cent. in salaries and wages, and 17.9 per cent. in the net value of products shipped. A decided improvement in the nickel-copper mining, smelting and refining industry was evidenced by gains in 1933 over the previous year of 32.1 per cent. in the number of employees, 41.8 per cent. in salaries and wages paid, and 92.4 per cent. in the value of shipments.

Production of new gold in 1933 from all sources in Canada amounted to 2,949,309 fine oz., valued at $60,967,626, as compared with an output of 3,044,387 fine oz. in 1932, worth $62,933,063. (Gold valued at $20,671,834 per fine oz.). The quantity of metal produced in 1933 represented a decrease of 3.1 per cent. from 1932. The value, however, estimated to include foreign equalization, and with gold valued at $28.60 per oz. (the estimated average price for 1933) realized $84,350,237; an increase of 18 per cent. over the corresponding value for the preceding year. By Provinces the production of gold was: Ontario, 2,155,519 fine oz.; Quebec, 382,886 fine oz.; British Columbia, 238,995 fine oz.; Manitoba, 125,310 fine oz.; Saskatchewan, 5,400 fine oz.; Nova Scotia, 1,382 fine oz.; Alberta, 324 fine oz., and the Yukon, 39,493 fine oz. Of the gold produced in Ontario, Porcupine area furnished 1,046,091 fine oz., Kirkland Lake 1,007,036 fine oz. and miscellaneous, including North-Western Ontario and Sudbury area, 102,392 fine oz.

The new Dominion tax on gold, originally proposed in the Budget Speech Apr. 18, 1934, as 10 per cent. on the selling price of all gold, was finally passed by the House of Commons on June 15, as a levy of 25 per cent. on the premium value of gold deposited for sale at the Mint produced from ore mined in Canada. It was provided, however, that the tax should not operate to reduce the amount received by the depositor for gold below $30 per oz. Only those mines which had paid dividends continuously since 1933 were to be liable to the tax. This exempted from the levy newly developed properties, and those which had only recently been operated on a profitable basis. Placer gold was also exempted from the tax. Against the tax collected, producers were allowed a deduction of an amount equal to the income tax payable by them for the year 1934. Moreover, gold that had paid the premium tax was exempted from the handling charge which would continue to be imposed on all other gold deposited for sale at the Mint. The tax went into effect Apr. 19, 1934, and was to continue until May 31, 1935. Provision was made for the collection of the tax also from Canadian gold exported.

Primary production of silver in 1933 yielded 15,187,950 fine oz., valued at $5,746,027, as compared with 18,347,907 fine oz. in 1932, valued at $5,811,081. The recession in output was largely attributable to a pronounced decline in the metal recovered from the cobalt-silver-arsenic ores of Northern Ontario, and, to a lesser extent, to the smaller recoveries of the metal from argentiferous blister copper produced in British Columbia and Quebec, as well as reduced export of silver lead ores from the Yukon territory. Silver prices on the New York market showed a steady increase from a monthly average of 25.400 cents in January to 37.630 cents in July. The price fell off to 36.074 cents in August, but rallied and reached an average of 43.550 cents in December. Average price for the year based on the New York market was 37.8328 cents per fine oz.

The world's production of silver in 1933 (partly estimated) was 164,699,848 fine oz. In order to stabilize prices, the chief producing countries—Australia,

Canada, Mexico, Peru and the United States—agreed to purchase, or otherwise withhold from the market, 35,000,000 oz. annually, and Canada's quota of this amount was fixed at 1,671,802 oz. Silver to this amount was to be purchased, in the first instance, by the Minister of Finance, at the market rate, and held as additional security for the redemption of Dominion notes. Subsequent instalments would be purchased by the Bank of Canada, when so directed by the Minister of Finance, and held as part of the reserves against its outstanding note and deposit liabilities.

Copper production in Canada in 1933 totalled 299,982,448 lb., valued at $21,634,853, as compared with 247,679,070 lb. at $15,294,058 in 1932. The yield of 1933 represented an increase of 21.1 per cent. over the previous year, and was the highest since 1930. The average price on the London market was 7.4548 cents per lb., an increase of 1.0746 cents. Growing recognition of the high quality of Canadian electrolytic copper was an encouraging feature of the industry.

Nickel production in Canada experienced a decided impetus in 1933. For that year the output was 83,264,658 lb., valued at $20,130,480, as compared with 30,327,968 lb. in 1932, representing $7,179,862, an increase of 174.5 per cent. in quantity, and 180.4 per cent. in value. The recovery was significant as synchronizing with the upward trend of trade. Practically all the nickel produced in Canada was derived from the copper-nickel bearing deposits of the Sudbury district. The nickel-copper mining, smelting and refining industry in Canada employed capital in 1933 to the extent of $84,836,327, as compared with $78,188,204 in 1932. There were 3,598 employees in 1933, who were paid $5,588,610, as compared with 2,406 in 1932, receiving $3,920,595.

Lead produced in Canada in 1933 amounted to 266,475,191 lb., realizing $6,372,998. This was a 4.1 per cent. improvement over 1932, when production was 255,947,378 lb., valued at $5,409,704. British Columbia, which produced 98.8 per cent. of Canada's lead output, contributed all the increase. In the first six months of 1934 further expansion was noted, amounting to 23.2 per cent. over the corresponding period of 1933. The average price of lead in Canadian funds, in London, was 2.392 cents per lb. in 1933, and 2.114 cents in 1932.

Of the zinc produced in Canada in 1933, British Columbia contributed 76.7 per cent., Manitoba 21.9 per cent., and Saskatchewan 1.4 per cent. Production increased from 172,283,558 lb. in 1932, to 199,131,984 lb. in 1933. The value was $4,144,454 in 1932 at 2.41 cents per lb., as compared with $6,393,132 in 1933, at 3.21 cents per lb.

Asbestos showed a marked improvement in 1933 over the previous year. Shipments reached 158,367 tons in 1933, an increase of 28.8 per cent. The value totalled $5,211,177, an increase of 71.4 per cent. over the preceding year. The average price rose from $24.72 per ton in 1932, to $32.90 in 1933. The capital employed in the industry amounted to $31,175,325. Employment was given to 1,629 persons, who were paid $1,279,093 for their services. Production of Canadian asbestos during 1933 came entirely from the Eastern townships in the Province of Quebec.

Gypsum produced in 1933 was valued at $663,312, whereas the production in 1932 was $1,080,379. The total gypsum mined and quarried in 1933 was 370,691 tons, as against 439,695 tons in 1932; total gypsum calcined in 1933 was 44,086 tons, and in 1932 it was 80,755 tons. The industry employed 415 workers in 1933, who were paid $263,279. An important new development in gypsum mining was the forwarding of two large shipments of crude gypsum from Nova Scotia in June, 1934, to London for the United Kingdom.

Salt production yielded in 1933 a total of 280,115 tons, valued at $1,939,874, as compared with 263,543 tons in the previous year, worth $1,947,551. The tonnage had been exceeded only in two years, namely, 1928, and 1929. Capital engaged in the industry by nine firms in 1933 amounted to $3,708,358; which had 400 employees and paid them $473,420. Canada's imports of salts in 1933 reached 102,033 tons, valued at $595,954; the exports were 5,627 tons, valued at $36,248.

Coal, Coke, Gas and Petroleum. In 1933 the Canadian coal mining industry produced 11,903,344 tons of coal, representing $35,923,962, an advance of 1.4 per cent. in quantity, but a decline of 3.2 per cent. in value, as compared with the 1932 output of 11,738,913 tons, valued at $37,117,695. Bituminous coal output in 1933 was 7,979,283 tons, an increase of 3.4 per cent. over the preceding year; sub-bituminous coal declined to 554,118 tons, a loss of 1.2 per cent.; and lignite declined to 3,369,943, a loss of 2.7 per cent. Nova Scotia's coal production reached 4,557,590 tons in 1933 as against 4,084,581 tons in 1932, an increase of 11.6 per cent. New Brunswick's coal mines produced 312,303 tons in 1933, as compared with 212,695 in 1932. Manitoba increased its output to 3,880 tons. Saskatchewan's production was 927,649 tons in 1933, an increase of 4.6 per cent. Alberta reported the production of 4,718,788 tons, a decline for the year of 3.1 per cent. British Columbia produced 1,382,272 tons in 1933, which was 17.8 per cent. less than the figure for 1932. In the Yukon 862 tons were mined, a gain of 54 tons.

Canada's exports of coal declined in 1933 to 259,233 tons. Imports of coal were 11,465,976 tons, a decrease of 1.8 per cent. for the year, but 15.3 per cent. as compared with 1931. Receipts of anthracite coal in 1933 were 3,035,613 tons, of which 1,605,776 came from Great Britain, and 1,429,829 from the United States. Imports of anthracite from Great Britain reached 52.9 per cent. of Canada's supply. In 1932 the United States supplied 53.7 per cent. and in 1930 approximately 69.5 per cent. Importations of bituminous coal in 1933 were 8,427,656 tons, a decline of 1.2 per cent. The United States supplied 96 per cent. of bituminous coal imports. Canada's coal industry employed an average of 24,812 wage-earners in 1933, and 1,283 salaried helpers, who were paid in all $22,378,736. Canada's coke supply in 1933 was computed at 2,411,040 tons, as compared with 2,274,034 tons in the previous year. Imports of coke were 644,075 tons, a decline of 1.2 per cent., while the coal equivalent of coke imported in 1933 was 990,884 tons (Final report on coal statistics for Canada for the calendar year 1933 issued by the Dominion Bureau of Statistics, Sept. 8, 1934).

According to preliminary figures compiled by the Dominion Bureau of Statistics, natural gas production in Canada in 1933 declined to 22,706,125 thousand cubic feet from the preceding year's output of 23,420,174 thousand cubic feet. Alberta wells produced 14,923,597 thousand cubic feet, being 65.7 per cent. of the whole; Ontario, 7,163,895 thousand cubic feet, 31.6 per cent.; New Brunswick yielded 618,033 thousand cubic feet. Final figures indicated that the consumption of natural gas in 1933 consisted of 15,500,000 thousand cubic feet for domestic purposes, and 7,100,000 thousand cubic feet for industrial purposes. Domestic consumption of natural gas displaced about 620,000 tons of coal.

The Non-ferrous Smelting and Refining Industry. According to a bulletin issued by the Dominion Bureau of Statistics, October, 1934, the capital employed in the non-ferrous metallurgical industry in 1933, was $146,085,284 by eleven companies engaged in the business operating fourteen plants. The average number of wage earners was 5,681, not including 679 salaried employees. Wages and salaries paid totalled $8,403,181. The estimated cost of ores, concentrates, etc., treated, was $43,242,563; value of plant products, $100,561,297; and value added by smelting, $57,318,734. These figures revealed an increase for the year of 31.6 per cent. in the value of plant products, and 48 per cent. in the value added by smelting. "This pronounced improvement", observes the bulletin, "in what might be described as almost a key industry, together with an increase in the value of exports of the non-ferrous metals, from $48,130,177 in 1932, to $69,340,625 in 1933, would not only indicate a broad and increasing demand in the metal consuming industries, but would emphasize the growing prestige of Canadian mine products in the metal markets of the world."

At Rouyn during 1933 the Noranda copper smelter was operated continuously, and treated 1,010,629 tons of ore; concentrate and refinery slag,

producing 65,337,559 ounces of anodes, the average analysis of which was 99.36 per cent. copper, 8.70 ounces gold per ton, and 15.61 ounces silver per ton. The material treated showed an increase of 92,062 tons. The output of copper was considerably in advance of the previous year, while there were declines in both gold and silver. Canadian Copper Refiners, a subsidiary of Noranda, was in operation all during 1933, producing electrolytic copper in the form of wire bars, ingot bars, small ingots and cathodes. The company recovered gold, silver and a selenium product. It also refined blister copper received from Flin Flon and Noranda, and treated considerable quantities of scrap metal.

At Copper Cliff, Ontario, the International Nickel Company reported the production in 1933 of 53,186 tons of bessemer matte, and 61,385 tons of blister copper. One blast furnace was used continuously for the Orford process, with satisfactory results from the standpoints of costs and quality. The Coniston smelter treated 328,640 tons of ore and produced 20,645 tons of bessemer matte. The Company's refinery at Port Colborne produced 41,496,664 lb. of nickel in the form of electrolytic cathodes and nickel in oxide. The Ontario Refining Company produced at Copper Cliff 58,098 tons of refined copper, a substantial increase. The smelter of Falconbridge Nickel Mines, Ltd., treated 232,661 short tons of ore, producing 8,297 short tons of matte. Radium extraction was carried on at Port Hope by Eldorado Gold Mines, Ltd., with greatly increased efficiency. Fifty-eight tons of pitch-blende from Great Bear Lake, N.W.T., were treated, and 3,021 mgm. of radium in finished form at 98 per cent. concentration, and 34,940 lb. of uranium, were produced.

During 1933 the Hudson Bay Mining and Smelting Company, Flin Flon, smelted in its reverberatory furnace, 246,783 tons of Flin Flon ore and concentrates, and 610 tons of miscellaneous customs ores and concentrates. There were produced and shipped blister copper containing 94,745.24 oz. gold; 1,222,895.2 oz. silver, and 41,148,717 lb. of copper. The electrolytic zinc plant treated 66,869 tons of zinc concentrates, yielding 46,305,736 lb. of zinc. The Consolidated Mining and Smelting Company produced in 1933, in its Trail, B.C. Plants: 254,639,548 lb. lead; 137,619,895 lb. zinc; 5,551,349 oz. silver; 541,459 lb. copper; 246,041 lb. cadmium; 70,724 lb. bismuth, and 22,393 oz. gold.

The industry consumed during 1933: 249,016 tons Canadian bituminous coal, valued at $1,681,541; 125,126 tons of imported bituminous coal valued at $666,720; 131,388 tons of coke costing $1,181,960; 10,296,772 Imperial gallons of fuel oil and diesel oil, valued at $442,100; electricity purchased, 1,213,805,404 k.w.h., costing $3,754,182, and in addition 7,312,550 k.w.h. generated for its own use.

Mineral Production in 1934. Canada's mineral production, according to the preliminary estimate issued by the Dominion Bureau of Statistics, Dec. 29, 1934, achieved a pronounced improvement during the calendar year 1934. There were gains in all groups, the most pronounced being among the metals where several new high records were established.

The estimated value was $278,337,000, an increase of 26 per cent. over the figure for 1933, which was $221,495,253. Metals, as a group, totalled $192,668,000, an increase of 31 per cent. over 1933, and an increase of 25 per cent. over 1929, the previous high year. It is pointed out, however, that in 1934 gold was value at $34.49 per fine oz., as against a valuation of $20.67 in 1929, but to offset this, it is added, that the prices of base metals were considerably higher in 1929 than in 1934. Fuels, including coal, natural gas and crude petroleum, were valued at $54,731,000 in 1934, as against $47,778,436 in 1933, an increase of 15 per cent. Coal production increased 17 per cent. in quantity and 18 per cent. in value. Crude petroleum advanced 26 per cent. in output and 20 per cent. in value. Natural gas decreased 5 per cent. in quantity and 2 per cent. in value. Non-metallics, other than fuel, but including asbestos, feldspar, salt, gypsum, sodium sulphate, etc., increased

6 per cent. to $10,557,000. Structural materials, including cement, lime, clay products, stone, sand and gravel, advanced 22 per cent. to $20,361,000.

Gold production in 1934 amounted to 2,964,395 fine oz., a slight increase over 1933, but the value in Canadian funds rose to $102,242,000, as compared with $84,350,237 in 1933. The average price of gold in Canada during 1934 was $34.49 per fine oz., as against an average of $28.40 for the preceding year. Consequently larger mines fed lower grade ore to their mills. Prospecting for gold deposits was most active during the year, and promising new areas were investigated in different parts of Canada. Quebec production showed a slight increase, and developments were widespread throughout the Northwestern part of the Province. Noranda was Quebec's largest producer of gold; two mines—McWatters and Sullivan—came into production in 1934 for the first time. Ontario produced over 71 per cent. of Canada's output. New mines in widely-separated parts of Northwestern Ontario came into production for the first time, including Central Patricia, Casey Summit and J. M. Consolidated. McKenzie-Red Lake commenced construction of a mill in Red Lake District. Other mills reaching production in 1934 included North Shore Gold Mines near Schrieber, and the Munro-Croesus in the Beatty-Munro area. Shipments of gold-bearing ores were reported from Cameron Island mine, Shoal Lake, the Moffat Hall in the Kirkland Lake Camp, and the Dikdik in the Thunder Bay District. Hollinger Consolidated completed and put into operation a mill at the Young-Davidson. McMillan Gold Mines in the Sudbury area commenced milling, and the first gold brick from the ores of the Little Long Lac mine was poured on Dec. 17. During the summer of 1934 a gold rush of old-time proportions followed sensational reports of a rich gold strike in the Sturgeon River field. The combined gold output of Manitoba and Saskatchewan was greater than in 1933; mining and milling were continuous at the Central Manitoba and San Antonio mines, and many promising properties underwent development and exploration. A considerable portion of the gold production of these Provinces came from the Flin Flon mine. Gold production in British Columbia totalled 287,173 fine oz. in 1934, as against 238,995 fine oz. in the preceding year. As in other parts of Canada prospecting and developing were most active. Gold production in the Yukon stood at 40,000 fine oz. Considerable activity in lode mining in this district was expected in the near future.

Silver production in 1934 was 16,350,029 fine oz., valued at $7,764,000, an increase of 8 per cent. in quantity and 35 per cent. in value. The price of silver rose steadily from a monthly average of 44.39405 cents per fine oz. in January, to 52.956 cents in November, the average price for the year being 47.4882 cents, as against 37.8328 cents in 1933. British Columbia's production of silver in 1934 reached 8,729,825 fine oz., as compared with 6,737,057 in 1933. Ontario's mines yielded 5,213,027 fine oz. in 1934, as against 4,535,680 in 1933. Quebec produced close on half a million fine oz., Manitoba and Saskatchewan, combined, produced 1,300,000 oz., and the Yukon and North West Territories over 614,000 fine oz.

Canada's nickel output, consisting of refined nickel, nickel in nickel oxides sold and in matte exported, aggregated 130,346,400 lb., an increase of 56 per cent. over 1933, and 18 per cent. over 1929, the record year. The number of converters at the International Nickel's Copper Cliff smelter was increased during the year from eight to twelve. Falconbridge Nickel Mines continued to ship copper-nickel matte to Norway for refining. As a result of magnetometric surveys, the existence of considerable bodies of ore was indicated at the B.C. Nickel Mines which were being developed.

Copper established a high record in 1934 by producing 367,054,472 lb., an increase of 21 per cent. over 1930, the previous high year. The value of the year's production was, however, $26,881,000, at 7.4302 cents a lb., as against $37,948,359 in 1930 at 12.982 cents a pound. Ontario contributed 57 per cent. of Canada's copper production; Quebec, 20 per cent.; Manitoba and Saskatchewan, 10 per cent.; British Columbia, 13 per cent. On account

of its excellent quality Canadian refined copper was much in demand by foreign buyers.

Lead production in Canada in 1934 was 342,811,000 lb., an increase of 29 per cent. over 1933, and a new high record. Average price of lead during the year was 2.4378 cents per lb. as against 4.575 cents in 1928. Canada's principal source of lead was the Sullivan mine in British Columbia. Zinc reached a new record at 300,747,113 lb., an increase of 51 per cent. over 1933, and 12 per cent. over 1930, the previous high year. A remarkable increase was noted in the production of metals of the platinum group, and cobalt, cadmium and bismuth were also higher.

The coal industry produced in Canada 13,891,000 tons in 1934, an increase of 16.7 per cent. over 1933, when the total was 11,903,344 tons. Nova Scotia's output increased 42.8 per cent. to 6,508,000 tons; New Brunswick, 1.2 per cent. increase to 316,000 tons; Saskatchewan, a decline of 5.8 per cent., Alberta a decline of 0.1 per cent.; and British Columbia an increase of 6.9 per cent. Manitoba produced 2,500 tons, and the Yukon, 638 tons. Imports of coal during the eleven months ended November, 1934, reached 13,029,972 tons, an increase of 23.4 per cent. over the corresponding period in 1933. Natural gas production in 1934 was estimated at 22,025,000 M.cu.ft., as against 23,138,103 M.cu.ft. in 1933. Crude petroleum production increased 25.7 per cent. to 1,440,000 barrels.

Non-metallic minerals (except fuels) yielded in value $10,577,000, over half a million dollars more than in 1933. Asbestos, with a slightly enhanced production, had a decreased value. Gypsum output increased 21 per cent.; feldspar increased 40 per cent.; graphite rose 300 per cent.; mica was more than doubled; sulphur increased 42 per cent. in quantity and 32 per cent. in value. The structural materials group reflected increased activities in building construction. Clay products rose 5 per cent. over 1933; cement, 26 per cent.; and lime rose to 410,000 tons. The estimated output of sand, gravel and stone was $9,043,000.

The Department of Mines. In the Report of the Department of Mines for the fiscal year ended Mar. 31, 1934, it was pointed out that 1933 was one of the most colourful years in the history of the industry. Canada's status as a leading gold producer was well established prior to the rise in the price of the metal, but following the rise there had been a new conception of that status. The record of 1933, when the gold output reached $84,300,000, as compared with $71,480,000 in 1932, was perhaps only a prelude to a new era for the industry. In substantiation of this view attention was drawn to the immense quantities of, formerly, waste material which had been moved up to the ore category at the leading producing properties; the encouraging results that had attended the preliminary development of abandoned properties, and of prospecting and exploratory campaigns in the older mineral areas, and, above all, the attention that had been given to the development of low-grade deposits, mainly by established companies with plenty of funds at their disposal. The Report stated that, as the evolution of an industry is a gradual process, some years would pass before a proper perspective of Canada's new status as a gold producer could be had. As to the mining industry generally the Report specially commended the splendid response it had made to the improved conditions throughout the industrial world, and described it as the year's highlight of Canadian industrial endeavour. As a result, Canadians, irrespective of their pursuits, were regarding the industry in a new light that augured well for its future. Due to the quickening of mining activities, and increased recognition of the services provided, there had been an enhanced demand upon the research and investigation facilities of the Department; as the industry had grown these had been enlarged until few, if any, mineral producing countries were better prepared than Canada to extend to the mineral industry the advantages of scientific research. The laboratory facilities of the Mines Branch, especially those of the Ore Dressing and Metallurgical Division, had been pressed to the limit during the year with the demand for tools and investigational work. During the previous three years 170 or more investi-

gations of the ore treatment type had been made. There had been erected in that period 28 plants; substantial changes, affecting greater efficiency, had been made in 6 established plants. Nine plants were under construction in April, 1934, and 29 plants were being planned and construction contemplated. All of these plants were for the treatment of ores on which preliminary tests had been made in the Ore Dressing Laboratories. By the Ore Dressing and Metallurgical Division reports were issued on 73 investigations, 68 of which would be published in the Report of investigations for 1933. Of the investigations, 50 were in ores in which gold was the principal valuable mineral. Eight were from British Columbia; 5, from Manitoba; 23, from Ontario; 9, from Quebec; and 5, from Nova Scotia. An investigation of magnetic iron ores of Texada Island, B.C., and Moose Mountain, Ont., was in progress, and further work on the radium-bearing ores of Great Bear Lake District, N.W.T., was being carried out. The laboratories were being used to an increasing extent by consulting engineers and metallurgists representing mining companies. In the Chemical Laboratories of the Division 3,699 samples were received and 11,000 chemical determinations were made. Of the samples, 70 per cent. were of precious metal ores and their test products; 20 per cent. of base metal ores and their test products; and 10 per cent., in connection with the investigative work on non-metallic minerals. Among the more important investigations conducted by the Fuels and Fuel Testing Division were burning efficiency tests on wood, gas and fuel oil in comparison with anthracite and coke; further sizing and washing tests of Nova Scotia coals, and plant scale coking tests at Vancouver, Brandon and Ottawa. Laboratory research work on the classification, constitution, beneficiation, storage, carbonization and hydrogenation of Canadian coals was carried on during the year, and further natural gas field work in Western Ontario. Further hydrogenation tests on Canadian coal, coal tar and bitumen were conducted. From a standard coal, in admixture with coal tar, a yield of nearly 90 per cent. of oil suitable for production of motor fuel was obtained, and further work would include tests to determine the suitability of different Canadian coals for their direct conversion into oils by the hydrogenation treatment. Satisfactory progress was made in the general investigational work in ceramics and road materials, including a thorough evaluation of the various physical properties of Canadian-made building bricks and an investigation of the refractory resources and industry of Canada.

Field activities in the two main branches of the Department were sharply curtailed during the year, only those of an urgent nature being undertaken, owing to the need to economize. The Geological Survey had 20 parties in the field in 1933, as compared with 35 in 1932, and field work was directed mainly toward the mapping and investigation of areas known to be favourable to gold deposition. Field work undertaken by the Mines Branch was limited to a minimum requirement to keep personal contact with the progress of the industry during the year, and to field studies necessary to complete investigations and reports that had been in progress for some time. In addition to the usual summary reports the Survey published the following special reports on: *Oil and Gas in Western Canada,* by G. S. Hume; *Geology and Ore Deposits of Copper Mountain, B.C.,* by V. Dolmage; *Geology and Mineral Deposits of Salmo Map-area, B.C.,* by J. F. Walker; *Slocan Mining Camp, B.C.,* by C. E. Cairnes; *Surface Deposits and Ground Water Supply of Winnipeg Map-area, Manitoba,* by W. A. Johnston; and *Platinum and Allied Metal Deposits of Canada,* by J. J. O'Neill and H. C. Gunning.

During 1933 and 1934 the National Museum was compelled, on account of curtailed appropriations, to confine its activities mainly to educational work. Supplies of the two books, *Birds of Eastern Canada,* and *"Birds of Western Canada"* having become exhausted, a new combined edition, *Birds of Canada,* was undertaken, and was to be in print early in 1935. A new edition of *Indians of Canada* was also being prepared. The series of illustrated lectures to school children and to adults delivered weekly between

November and April, were continued to increasingly large audiences. Some additions were made to the collection of motion picture films and sets of lantern slides, loaned each year to schools and other organizations throughout the country. Through the Geological Survey a large number of specimens and sets of specimens of minerals and rocks were sold to schools and prospectors. Many lectures on natural history subjects were delivered in places within easy reach of Ottawa by members of the staff.

Appreciation of the efforts of the Minister of Mines, the Hon. W. A. Gordon, K.C., in his capacity as Chairman of the Minerals Committee of the Imperial Economic Conference, 1932, toward increasing Canada's sales of base metals in the United Kingdom, continued to be expressed by those interested in the great industry. In an article depicting the sharp rise in the value of Canada's base metal exports to the United Kingdom since the Trade Agreements were formulated, *The Northern Miner,* in its issue of Nov. 30, 1934, stated in conclusion: "Mr. Gordon's work as Chairman of the Minerals Committee will go on record as an outstanding achievement in the annals of Canada's mining history." When the Woodsworth Resolution to forbid the exports of nickel was before the House of Commons during the 1934 Session, Mr. Gordon, in a vigorous reply, stated in part, "Do not let us fool around with the question whether we will ban nickel or not, but let us continue to support the only International tribunal that is at present available. Let us continue to support the League of Nations so long as that body can command the respect and is entitled to the support of this country . . . . ." Subsequent to these remarks, Mr. Gordon emphasized the futility of placing a ban on nickel exports as a means to end wars, pointing out that nickel is no more important than numerous other commodities in war operations and that nations that could not secure it in quantity during the last war were able to continue without it. At the opening of radio station CJKL in Kirkland Lake in March, 1934, Mr. Gordon delivered the inaugural address, taking as his topic "The Influence of Mining on the Permanent Development of the North," in which he stressed the value of mining to agricultural pursuits. During the first week in April, 1934, he attended the Annual General Meeting of the Canadian Institute of Mining and Metallurgy, held in Quebec, and addressed a large gathering on the rôle of the mining industry in Canada's industrial fabric, touching on the activities of the Department of Mines in relation to the industry. Early in the year when the new Gold Tax was before Parliament, Mr. Gordon received several delegations of mining men who had come to Ottawa to protest the Tax, and the subsequent modification of it was believed to be largely the result of the Minister's presentation of their case before his colleagues in the Cabinet. Government assistance to the coal industry, under Mr. Gordon's jurisdiction, made possible the marketing of about 2,300,000 tons of Canadian coal in 1934. A marked improvement in coal mining conditions was noted, and the outlook was considerably helped by the greater use, particularly in the Ontario market, of Canadian coal.

The Deputy Minister of Mines, Dr. Charles Camsell, B.Sc., in addition to his Departmental duties, was also actively engaged in work as a member of the North-West Territories Council and as Chairman of the Inter-Departmental Air Survey Committee, formed in 1933 to co-ordinate the work of the various branches of the Dominion Government interested in air surveys. Amongst the notable addresses delivered by the Deputy Minister during the year was one broadcast on Oct. 15, 1933, which featured the rapid growth of Canada's external trade in base metals.

The Dominion Fuel Board. Six meetings were held by the Dominion Fuel Board in 1933. The outstanding activities of the Board during the year were: (1) study of the coal markets throughout Canada; (2) investigation of the competition offered by British coals and coke in Canada and preparation of memoranda thereon; (3) inspection of the by-product coking plant

under construction at Vancouver, B.C., under benefit of the Domestic Fuel Act (1927) and of existing plants at Quebec and Halifax already operating under the Act; (4) investigation of the cost of operation of coal mines throughout Canada and publication of a chart of costs for each district; (5) publication, in conjunction with the National Development Bureau, of booklet, *The Insulation of New and Old Houses;* (6) study of cost differentials for railway coal; (7) collection and study of vital information covering the fuel situation in Canada; and (8) administration of the various Orders in Council providing assistance to the coal and coke industry. During the period July 1, 1933, to Dec. 1, 1934, the following Orders-in-Council administered by the Board, were in force:

(1) P.C. 1119 (May 28, 1934) rescinding P.C. 1048 (May 9, 1932) and amendments, which provided assistance to Maritime coals;

(2) P.C. 944 (Apr. 26, 1932), which provided assistance to Canadian coal used in the manufacture of coke or gas, continuing in force;

(3) P.C. 740 (Apr. 24, 1933), which affected movement of Alberta coal to Eastern and Central Ontario, continuing in force;

(4) P.C. 951 (May 30, 1933), which affected New Brunswick coal to Quebec and Ontario, continuing in force;

(5) P.C. 1120 (May 28, 1934) rescinding P.C. 953 (May 30, 1933), which affected Saskatchewan coal to Manitoba and Western Ontario;

(6) P.C. 1121 (May 28, 1934) rescinding P.C. 952 (May 30, 1933), which affected Alberta and Crows' Nest Pass coal to Manitoba and Western Ontario; and

(7) P.C. 1122 (May 28, 1934) rescinding P.C. 954 (May 30, 1933), which affected British Columbia coal for bunkers and export.

A General Survey of Canadian Fisheries

Improved market conditions gave the catch of Canadian fisheries of 1933 a substantial added value over the larger catch of 1932, according to the Report of the Department of Fisheries (Hon. Alfred Duranleau, K.C., Acting Minister; W. A. Found, Deputy Minister). The total catch of all kinds of fish, both sea and inland, and including shellfish, amounted in 1933 to 813,357,200 pounds (revised figures) having a market value of $27,558,053. In 1932, when the yield was 3,026,000 pounds greater, the total value was $25,957,109, or $1,600,943 less than the value of the 1933 catch. The sea fisheries contributed $23,494,695 to the marketed value of fish in 1933, and the inland fisheries contributed $4,063,358. The Atlantic Coast fisheries yielded 444,148,700 pounds as compared with 405,603,900 in 1932. Inland fisheries produced 65,575,300 pounds in 1933 and 63,496,300 in 1932. Pacific Coast fisheries yielded 295,800,500 pounds, showing a drop of some 51,000,000 pounds, although the marketed value increased by more than $2,000,000. By Provinces, the marketed value of all fish was as follows: Nova Scotia, $6,010,601; New Brunswick, $3,061,152; Prince Edward Island, $842,345; Quebec, $2,128,471; Ontario, $2,089,842; Manitoba, $1,076,136; Saskatchewan, $186,417; Alberta, $144,518; British Columbia, $12,001,471; and the Yukon Territory, $17,100. (Fisheries statistics for Provinces outstanding in the industry will be found under the individual Provincial Sections).

From a monetary standpoint the chief branch of the fishery industry in Canada is salmon fishing; this yielded in 1933 the sum of $9,758,346. The salmon production of the Pacific Coast waters was valued at $9,184,090. Next in order came the lobster fishery with a marketed value of $3,524,355. The cod fishery dropped to $2,598,756. White fish, the most important of the inland fisheries, realized the sum of $1,136,400, which was about half the value placed on white fish production a few years previously when market conditions were more favourable. The quantity catch and the market value of the ten chief commercial fishes of Canada, from 1929 to 1933, were as follows:

Kind		1929	1930	1931	1932	1933	Increase or Decrease 1933 as Compared With 1932 Inc.+ Dec.—
Salmon	Cwt.	1,550,780	2,362,529	1,343,701	1,331,054	1,456,501	125,447+
	$	15,008,825	17,731,891	7,972,017	8,037,904	9,758,346	1,720,442+
Lobsters	Cwt.	372,820	407,265	435,490	483,488	374,916	108,572—
	$	5,696,542	5,214,643	5,037,028	4,745,311	3,524,355	1,220,956—
Cod	Cwt.	1,979,440	1,662,421	1,463,626	1,428,941	1,561,647	132,706+
	$	5,394,636	4,288,813	2,827,350	2,193,621	2,598,756	405,135+
Herring	Cwt.	2,317,806	2,190,776	2,462,751	1,862,372	2,056,706	194,334+
	$	3,186,669	2,623,174	2,330,044	1,473,288	1,808,970	335,682+
Halibut	Cwt.	335,824	282,605	210,926	193,845	200,824	6,979+
	$	4,832,296	2,871,455	1,780,044	1,227,680	1,694,405	466,725+
Whitefish	Cwt.	196,386	169,747	156,215	138,478	152,135	13,657+
	$	2,453,703	1,818,941	1,425,311	1,193,634	1,136,400	57,234—
Haddock	Cwt.	545,400	486,344	363,850	360,185	268,881	91,304—
	$	1,951,642	1,851,724	1,362,876	1,114,802	832,029	282,773—
Sardines	Bbl.	249,194	129,459	63,660	66,910	130,485	63,575+
	$	1,626,764	1,074,487	837,560	426,914	623,976	197,062+
Pickerel or Doré	Cwt.	128,500	103,146	92,349	89,498	106,272	16,774+
	$	1,453,847	939,762	765,492	707,957	623,343	84,614—
Trout	Cwt.	90,854	69,809	57,420	50,198	50,932	734+
	$	1,324,775	1,031,979	707,522	557,988	525,192	32,796—
Smelts	Cwt.	83,984	66,121	74,522	96,163	77,699	18,464—
	$	1,190,908	853,034	652,837	690,964	495,632	195,332—
Mackerel	Cwt.	152,756	178,464	196,248	178,453	263,316	84,863+
	$	536,021	598,019	502,477	276,947	396,306	119,359+

Plant and equipment in use in the primary operations of the fishery industry in 1933, comprising vessels, boats and gear, represented a capital investment of $25,380,082 as compared with $24,746,066 in 1932. In addition, the sum of $15,532,775 was represented by the fish canning and curing branch of the business, making a total investment of $40,912,857 at the end of 1933 as compared with $41,789,278 in the previous year. Altogether, the fishing industry gave employment during the season in 1933 to 79,548 persons as compared with 78,208 in 1932 and 74,882 in 1931. There were 620 fish canning and curing establishments in 1933 with an output of $15,532,775 as against 629 establishments in 1932 with an output of $17,043,212.

On Nov. 17, 1934, the Hon. Grote Stirling, Minister of National Defence, was appointed Acting Minister of Fisheries. Subsequently, he visited British Columbia in connection with fisheries matters and other public business, and while there made a number of public addresses. The Deputy head of the Department made, during the year. several official trips to both the Atlantic and Pacific coasts conferring on fisheries matters with Departmental officers, representatives of the fishing industry and attended meetings of fishermen and the International Fisheries Commission.

Fishery Enactments. By Order-in-Council of Feb. 14, 1934, the International Pacific Halibut Fishery Regulations, in force under Article III of the Pacific Halibut Fishery Convention between Canada and the United States, were rescinded and new regulations promulgated. The new regulations divided the Convention waters into three areas—the catch of halibut to be taken in area No. 2 to be limited to 21,700,000 pounds of saleable halibut and in area No. 3, to 24,300,000 pounds or 46,000,000 pounds in all; it left to the decision of the International Fisheries Commission the closing for a definite period of any area in which it deemed that the limit of the halibut catch had been reached; and it closed to all halibut fishing certain regions known to be populated by small immature halibut. A further Order-in-Council, dated Aug. 18, 1934, limited the amount of saleable halibut to be taken in area No. 1 to 1,400,000 pounds, making the total halibut limit up to the end of February. 1935, 47,400,000 pounds. It was provided further that, if not sooner closed, the Convention waters of area No. 3, particularly designated therein, should be closed on Nov. 1 of each year.

There were other Orders-in-Council affecting the fisheries of Canada passed during the period July 1, 1933 to Dec. 31, 1934; two were grants of money

for the encouragement of the industry: On Aug. 4, 1933, an Order was passed approving the recommendation of the Treasury Board of Canada that a grant of $4,500 be paid to the United Maritime Fishermen, in quarterly instalments of $1,125 each, the first payment to be made as of the end of June, 1933, and the further payments to be made at the end of each quarter, providing the necessary appropriation had been released,—provision therefor having been made in the Fisheries Estimates for the fiscal year 1933-34; on July 3, 1934, an Order passed provided in the Estimates for 1934-35 for a further grant of $4,050, to be paid to the Association in quarterly instalments of $1,012.50 each, the payment for the first quarter to be made on the 25th of June and subsequent ones at the end of each following quarter. On Feb. 15, 1934, on the recommendation of the Acting Minister of Fisheries, the sum of $160,000, in the form of bounties, was approved to be paid for the year 1933-34 to owners of vessels and fishermen engaged in the industry under the provisions of "An Act to Encourage the Development of the Sea Fisheries and the Building of Fishing Vessels."

A number of Amendments were made by Order-in-Council dated Jan. 13, 1934, to the regulations governing the inspection of canned fish, shellfish and the operation of canneries. It was provided that the word "Canada" should be embossed on every can of salmon, whether for export or not. Cans of fish or shellfish to be exported were exempted from the labelling provisions of the law provided that any labels used complied with the laws of the country of destination. By an Order-in-Council dated Feb. 1, 1934, further Amendments to the regulations governing the curing and packing of fish were made. These called for improvements in the packing of herring; dealt with grades for pickled herring and spring mackerel; required that every container of mackerel, after being inspected and approved, should be stamped with the word "Canada" and its class, grade, weight and a number indicating the name of the inspecting officer; insisted that all fish-curing establishments should be regularly inspected and reported upon, and that all shipments of oysters should be inspected and certified.

The Biological Board of Canada. The work of the Biological Board of Canada, as summarized by the Chairman, Prof. J. Playfair McMurrich, though somewhat curtailed during 1933 for reasons of economy, continued the investigation of many fishery problems. Four stations for investigations were maintained at St. Andrews, N.B.; Halifax, N.S.; Nanaimo, B.C.; and Prince Rupert, B.C.; and two substations, one at Ellerslie, P.E.I., to investigate the oyster problem, and one at Cultus Lake, B.C., to study the natural history of the Pacific salmon. The Board studied the runs of herring in the Passamaquoddy area, the distribution and migration of cod in the Halifax area, and the natural history of the Atlantic salmon. An experiment in the planting of eggs from Restigouche salmon in a stream where there had previously been no salmon run for fifty years was reported as resulting in a run of adult salmon in the Autumn of the succeeding year. The study of the smoking of fish by conditioned air had led to the desired reduction in cost and to the prevention of "banding." Attention had been directed to developing a system of cold storage for bait, and improvements in canning. Experiments in the transference of eggs of British Columbia salmon from one stream to another, in the hope that the adult fish would return to the stream in which it had been reared, had given negative or disappointing results. The study of fish oils had been continued, and the Prince Rupert station was prepared to assay the vitamin D content of samples submitted. This station was preparing Marinol on a commercial scale with an increasing demand. The Biological Board, composed of representatives of the Department of Fisheries, of the fishing industry and of a number of Canadian Universities, all of whom give their services gratuitously, had as its principal officers: Prof. A. T. Cameron, Winnipeg, Man. (Chairman); J. J. Cowie, Ottawa (Honorary Secretary-Treasurer), and F. O. Weeks, Ottawa (Honorary Assistant-Treasurer).

International Fisheries Commission. The investigation of the life history of the Pacific halibut and the regulation of the fishery were continued with satisfactory progress by the International Fisheries Commission during 1933, as provided in the Treaty of May, 1930, between Canada and the United States. According to the Report of the Dominion Deputy Minister of Fisheries (W. A. Found), additional information was acquired regarding the halibut and the fishery essential to successful regulation, and it was demonstrated that beneficial effects on the abundance of fish had, to date, resulted from international regulation. The fishing season in 1933 opened on Feb. 1, two weeks later than the season of 1932. Notwithstanding the delayed opening, and the voluntary curtailment of operations by part of the United States fishing fleet, the intensity of the fishing was so great that the season terminated earlier than in 1932. The quota fixed for Area No. 2, which included the coasts of British Columbia and south-eastern Alaska, was reached and the area closed to halibut fishing at midnight, Aug. 25. On Oct. 26 Area No. 3 was also closed to halibut fishing.

Of particular interest and importance to the fishing fleets were the efforts of the Commission during 1932 and 1933 to distribute the landings of halibut throughout the greater portion of the year to enable the fishermen to obtain the maximum economic benefit from the fish taken. Voluntary curtailment was tried but proved only partially effective, owing to failure of sections of the fleet to agree on a method of curtailment and to co-operate. The industry united in urging the Commission to ask for authority to regulate the rate of landings so as to spread the catch over a longer season.

The abundance of fish, as indicated by the catch in pounds per unit of fishing, continued to increase during 1933. In the waters off the coast of British Columbia the catch per unit of gear rose from 50.1 pounds in 1932 to 52.5 pounds in 1933. The increase, however, was much less than that occurring in the two preceding years, and there was no reason to believe that the catch would increase much more under existing limitations until a greater number of fish was matured which would increase the production of spawn and young fish. The catch per unit of gear in Area No. 3, lying west of Cape Spencer, off Alaska, had increased in the two years mentioned from 82.2 pounds to 84.6 pounds, being also much smaller than the increase during the two preceding years; this indicated that the effect of the existing degree of restriction was approaching its maximum.

Investigations were continued into the abundance of spawners and into spawning, which appeared to indicate that the amount of spawning from year to year might be more variable than was previously believed. A beginning of more exact work, by which changes in the abundance of spawning in any bank or group of banks might be determined, was made in 1933. At the laboratory an analysis of the landings and the abundance of fish on the different banks was made, and the study of the rate of growth, fecundity, migration, spawning, and other essential biological subjects was conducted.

The Commission's investigations explained the changes which had occurred in stocks of halibut in the past and were still occurring, and also afforded a proper basis for observation and action. While the regulations had markedly increased the stocks on both western and southern grounds, those on the latter, the Departmental Report stated, could not, so far, be said to be in a sound condition.

North American Council on Fishery Investigations. The 1933 Meeting of the Council was held at the Atlantic Fisheries Biological Station at St. Andrews, New Brunswick, Sept. 13-14. The purpose of the Council being to encourage the exchange of scientific information regarding the fisheries, results of recent research work were outlined and discussed at the Meeting. It was revealed by Dr. Harold Thompson, representing Newfoundland, that it had been found that the Vitamin A potency of cod liver oils varied greatly with the age of the fish from which the livers were obtained, with small cod (that is, young cod) yielding oil which was very

clear in colour but low in vitamin value, and the large, old fish producing oil high in vitamin content and richly pigmented.

W. C. Herrington, chief haddock investigator for the United States Bureau of Fisheries, reported that his investigations had indicated that the abundance of haddock on Georges Bank would show a decline in the next few years unless there was an unexpected movement from the easterly banks off Nova Scotia. The haddock supply on these latter banks, he said, would probably continue as "at present," or it might even increase. His recent studies had shown that there was apparently some movement of haddock from George's Bank to Brown's Bank, although previous indications had been that the fish did not cross the Fundian channel. Dr. A. G. Huntsman, of Canada's research staff, reported that his investigations, in connection with the herring of Passamaquoddy Bay and the Bay of Fundy, had shown that the fish were carried passively about by tides and currents, which, in turn, were affected by bottom contours, outflows of fresh water from rivers swollen by rains, and by strong winds. The herring fishery was extremely dependent on local conditions, the fish being largely at the mercy of the movements of the waters. Dr. Thompson, in telling of Newfoundland cod research, dealt with the response of codfish to very slight changes of temperature, a condition which indicated the helpful results to the fishermen which might be expected to follow from the employment of thermometer-equipped vessels in locating areas where cod were likely to be most abundant. The Council also heard accounts of work done on cod by Canada and by the United States and reports of Newfoundland and Canadian haddock studies. Summaries were given of various other investigations—drift bottle work, hydrological, plankton, mackerel, and salmon investigations.

The meeting of the Council, the twentieth which it had held, was presided over by the Council Chairman, Dr. H. B. Bigelow, one of the members representing the United States. Other members in attendance were Elmer Higgins, chief of the Division of Scientific Inquiries of the United States Bureau of Fisheries; Dr. Harold Thompson, representing Newfoundland, and the three Canadian representatives—W. A. Found, Deputy Minister of Fisheries; Dr. J. P. McMurrich, Chairman of the Biological Board of Canada; and Dr. Huntsman, Secretary of the Council. The two other members, Frank T. Bell, Commissioner of Fisheries, Washington, D.C., and Dr. Edouard LeDanois, of France, were unable to be present.

Passamaquoddy Bay Investigation. The joint investigation begun by Canada and the United States in 1931 to determine the probable effect of the proposed power dams in the Passamaquoddy Bay area upon the herring fishery and other fisheries of South-western New Brunswick and Northern Maine, resulted in a Report which was tabled in the Dominion House of Commons on June 7, 1934. The Report, which was signed by William A. Found, Dominion Deputy Minister of Fisheries, Henry O'Malley, former United States Fisheries expert, and Dr. A. G. Huntsman, Director of the Dominion Biological Board, stated that: "the investigators, with the counsel of the Advisory Board, have reported that they anticipate that construction of the proposed dams would practically extinguish the herring fishery inside the dams; that the fishery in the adjacent area outside the dams (Quoddy area) would be affected to an unknown degree, either adversely or favourably; and that there appears little probability of the dams affecting the fishery along the coast of Maine, or even seriously of Grand Manan." The Commission pointed out that during 1930 and 1931 the commercial herring catch for Passamaquoddy and Coobscook Bays inside the proposed dams, formed 2.5 per cent., and in areas outside the dams, from St. Mary's Bay, N.S., to Cape Elizabeth, Maine, 97.5 per cent. of that for the whole region. The results of the investigation did not explain the unusual richness of the herring (sardine) fishery both inside the dams and outside, and without the elucidation of the uniqueness of the area, it could not be concluded that the projected dams might not so alter the environment as to seriously affect the results of the fishery. While the investiga-

tion had contributed results which greatly increased the understanding of the existing circulation, and the nature of the herring concentration in the region, the study of the forces which determine the existence of the fishery, requiring the development of new methods, had not been possible in the limited time available. The Commission concluded that: "Without a knowledge of the factors concerned in the concentration, prediction of the entire effect of the dams on the fishery cannot safely be made."

The Hydro-Electric and Central Station Industry in 1933-34

A broad outline of the water-power situation of Canada is given in the Bulletin on the Water Power Resources of Canada, issued by the Dominion Water Power and Hydrometric Bureau of Canada, Mar. 1, 1934. From this document it appears that the total available water power under conditions of ordinary minimum flow was 20,347,400 h.p., and the total ordinarily available for six months in the year was 33,617,200 h.p. The total turbine installation on the date mentioned was given at 7,332,070 h.p., an increase of 286,810 over the figure for the previous year. While no new undertakings of any considerable size had been initiated since 1931, the completion of two large central electric stations, together with a number of smaller plants, mostly for mining purposes in British Columbia, provided an installation in 1933 of 270,210 h.p. This, in addition to 16,600 h.p. installed during 1932, but not included in the total for that year, brought the total to the figure named as of Jan. 1, 1934. Construction on several large undertakings was proceeding, which would add considerably to the total installation in future years. The turbine installation represented a little less than 17 per cent. of the recorded water power resources.

The major portion of the year's installation was in Quebec and Ontario. In Quebec the MacLaren-Quebec Power Company completed its 136,000 h.p. development on the Lièvre River at Masson, the output of which the Ontario Hydro-Electric Power Commission had contracted to buy.

In Ontario, the Canyon Development, purchased by the Ontario Government, was completed by the Ontario Power Commission. The installation would be ultimately 330,000 h.p., of which 132,000 h.p. was brought into operation in 1933. Power from this source was serving tributory mining regions. The installation of 15,000 h.p. in the Welland Canal near Merritton, completed in 1932, by the Dominion supplied power for the Canal.

In British Columbia the West Kootenay Power and Light Company installed a 1,050 h.p. plant on the Goat River; the Wayside Gold Mining Company, 360 h.p., on Ferguson Creek; the Meridian Mining Company, 500 h.p., on Pool Creek; the B.C. Nickel Mines, 300 h.p., on Stulkawhits (Texas) Creek. Installations completed in 1932, but not included in the return for that year, were: Reno Gold Mines on Sheep Creek, 800 h.p.; and Pioneer Gold Mines on Hurley River, 800 h.p.

The output of central electric stations in Canada in 1933 amounted to 17,746,000,000 k.w.h., an increase of 1,694,000,000 k.w.h., or 10.5 per cent. over the output of 1932, according to the report on *Production and Use of Electrical Energy in Canada*, issued by the Dominion Bureau of Statistics, April, 1934. Of the total output, 17,237,835,902 was produced by water, and 313,794,755 by fuel.

The increasing ratio of electric drive was indicated by the steadily increasing ratio of rated capacity of electric motors in manufacturing industries to total capacity of power equipment. These ratios had risen from 61 per cent. in 1923 to 77 per cent. in 1932, with scarcely a halt.

Electric energy, produced for use in electric boilers, in 1933 showed an increase over 1932 of 772,061,000 k.w.h., or 27.2 per cent. The total for 1933 was 3,608,400,000 k.w.h., the greater part of which was used in pulp and paper mills.

The exports of electric power to the United States in 1933 reached 989,364,131 kilowatt hours, as compared with 659,901,000 in 1932 (excluding 7,979,000 kilowatt hours exported to a pulp mill).

The total output for the year 1934 from the large stations, which produced over 98 per cent. of all stations, amounted to 31,167,682,000 kilowatt hours. This was 20.59 per cent. above the 1933 output and 18.50 per cent. above the previous record made in 1930.

Total exports to the United States in 1934 amounted to 1,248,811,000 kilowatt hours, as against 989,364,000 kilowatt hours in 1933 and 1,619,603,000 kilowatt hours in 1930. Deliveries to electric boilers increased from 3,608,400,000 kilowatt hours in 1933 and 2,104,846,000 kilowatt hours in 1930 to 5,130,701,000 kilowatt hours, and total output less exports and deliveries to electric boilers amounted to 14,788,171,000 kilowatt hours, or 14.15 per cent. above the 1933 figure and 4.6 per cent. above the previous record made in 1930.

The Canadian Electrical Association held its 44th Annual Convention June 13-15, 1934, at the Seigniory Club, Quebec, with the President, Alex. D. Robb, in the chair. The Association reported a membership of 570, a net decrease of 14. The President drew attention to the fact that the electrical industry, through the installation of heavy current-consuming devices, had reached its highest record in March, 1934. The utilities had suffered from the depression but had survived in spite of increased taxation, reduced revenue and reduced rates. Indications pointed to a slow but steady and healthy recovery. Considerable discussion took place on the electric heating of domestic houses.

Construction in Canada in 1933-34

In 1934 the total value of construction contracts awarded increased to $125,811,500, the first increase since the slump began in 1929 and $28,521,700, or 29.3 per cent., more than in 1933 ($97,289,800), but 78 per cent. less than the peak of 1929. Of the 1934 total, residential contracts accounted for $30,588,100 (1933: $23,929,800); business, $37,480,300 (1933: $26,276,500); industrial, $8,037,900 (1933: $9,101,900); and engineering, $49,705,200 (1933: $37,981,600). (Latest available statistics—MacLean Building Reports).

According to the Annual Review of Building Permits for 1933, issued by the Dominion Bureau of Statistics, Feb. 22, 1934, the value of the building authorized in 61 leading centres in Canada in 1933 was $21,776,496, as compared with the total of $42,319,397 in 1932, a decrease of $20,542,901, or 48.5 per cent. All Provinces showed declines. By Provinces, statistics of permits issued were as follows: Nova Scotia, $655,294 (decline 41 per cent.); New Brunswick, $394,514, (decline 39.2 per cent.); Prince Edward Island, $115,200, as compared with $587,000 in 1932; Quebec, $7,005,774, (decline 43.8 per cent.); Ontario, $9,116,743, (decline 46 per cent.); Manitoba, $851,681, (decline 64.2 per cent.); Saskatchewan, $529,497, (decline of 77.7 per cent.); Alberta, $947,240, (decline of 57.8 per cent.); British Columbia, $2,160,553, (decline of 40.3 per cent.).

The value of the building permits issued in the 61 cities in 1934 constituted 21.8 per cent. of the total value of construction contracts awarded throughout the Dominion, while in 1933 this proportion was 22.4. The percentages in these two years were lower than in any other of the fifteen years for which figures for the cities are available. In 1921, when the 61 cities reported their highest proportion of total building work in the country, the percentage was 48.6, while the average percentage in the years 1920-1934 was 39.4.

The partial recovery in business generally characterizing 1934 extended moderately to the building industry, according to revised statistics of building authorizations furnished by 61 leading cities to the Dominion Bureau of Statistics. The value of permits issued for construction was $27,457,524;

as compared with the 1933 aggregate of $21,776,496, this was an increase of $5,681,028 or 26.1 per cent. The aggregate for 1934, however, was considerably lower than in any of the years, 1920-1932. On the average, the value of the building permits issued in the preceding fourteen years for which data are available was $136,065,161, of which the 1934 authorizations constituted little more than a fifth. The wholesale prices of building materials during 1934, though higher than in the years, 1931-33, were decidedly lower than in any other year since 1920. The average index number of wholesale prices of construction materials, as compiled in the Internal Trade Branch of the Bureau on the 1926 average as 100, stood at 83.0 in 1934, as compared with 78.3 in 1933, but with an average of 101.3 in the years, 1920-1933. Labour costs showed a further decline in 1934, according to the Labour Department's index of wage rates in the building trades, based on the 1913 average as 100. This index was 154.8 for the year 1934, as compared with 158.0 in 1933, 178.2 in 1932, 195.7 in 1931 and 203.2 in 1930, the maximum in the fifteen years for which building permits figures are available for the 61 centres.

Canadian Manufacturing Industries

Manufacturing activity continued in 1932 with increasing force, the downward trend begun in the Autumn of 1929. All the products of Canada's manufacturing industries in 1932 were valued at $2,126,194,555, a decrease of $572,267,307, or 21.2 per cent. for the year. As compared with 1929 the decrease was $1,903,176,765, or 47.2 per cent. Employment also declined. In 1932 the workers numbered 495,398; in 1931 the number was 557,426, while in 1929 it was 694,434. Since 1929 the number of persons employed declined by 199,036, or 28.7 per cent. (The *Advance Report of Manufacturing Industries of Canada, 1932*, issued by the Dominion Bureau of Statistics, March, 1934—the latest statistics available). It is observed, however, by the Bureau that the large decrease in the number of employees given was in part, due to a change in the method of computing the average annual employment of wage earners. During 1932 the employees decreased by 11.1 per cent.; salaries and wages fell 19.0 per cent.; gross value of products was reduced by 21.2 per cent. and value added by manufacture decreased 20.6 per cent.

Altogether, 24,544 manufacturing establishments reported in 1932. Of these 9,844 were in Ontario, 7,851 in Quebec, 1,643 in British Columbia and Yukon, 1,404 in Nova Scotia, 970 in Manitoba, 943 in Alberta, 841 in New Brunswick, 774 in Saskatchewan, and 274 in Prince Edward Island. These plants represented a capital investment of $4,741,255,610; they paid to labour $505,883,323; produced goods valued at $2,126,194,555, and spent $955,968,683 for materials, leaving the value added by manufacture at $1,170,225,872. Compared with the previous year, there was a decline of $304,355,979 in the value added by manufacture. In 1932 Ontario, with 40.1 per cent. of the establishments, employed 45.2 per cent. of the capital, 48.3 per cent. of the workers, and produced 48.4 per cent. of the output.

All groups of industries reported decreases in employment, wages and gross value of production during 1932, except central electric stations with 5 per cent. increased production, and the chemical group with an increase of 6 per cent. in number of employees. Of the major industrial groups, the animal products and textile industries suffered least. Animal products reported a decline of 2.6 per cent. in employment and 18.1 per cent. in value of production, while the textile industries reported a drop of 3.2 per cent. in employment and 13.5 per cent. in value of products. The iron and non-ferrous metal groups reported the greatest declines; the iron group lost 23.4 per cent. of its employees and 39.7 per cent. in value of production; the non-ferrous metal group declined 22.4 in employment and 28.2 per cent. in the gross value of products. The following table gives the percentage variations in employment and gross value of products in 1932 as compared with 1931, by Provinces:

	Percentage Increase or Decrease in		
	Number of Employees	Salaries and Wages Paid	Gross Value of Products
CANADA	—11.1	—19.0	—21.2
Prince Edward Island	— 2.0	—10.4	—13.9
Nova Scotia	—13.9	—24.7	—28.8
New Brunswick	— 8.5	—16.4	—14.0
Quebec	—10.8	—19.2	—21.3
Ontario	—11.4	—18.3	—21.6
Manitoba	— 8.0	—21.3	—18.9
Saskatchewan	— 8.7	—15.3	—18.4
Alberta	— 5.3	—16.3	—19.2
British Columbia and Yukon	—14.3	—22.1	—20.0

Of the forty leading industries of the Dominion, in 1932 pulp and paper still maintained the leading place, though by a smaller margin. Central electric stations were again second and slaughtering and meatpacking third. Flour and feed mills (5th in 1931) moved up to fourth place. Butter and cheese (6th in 1931) moved up to fifth place. Non-ferrous metal smelting (4th in 1931) moved down to sixth place. Then followed: petroleum products (8th in 1931); printing and publishing (11th in 1931); bread and bakery products (12th in 1931); electrical apparatus and supplies (7th in 1931) and automobiles (14th in 1931). The following table gives statistics for forty leading industries:

Statistics of the Forty Leading Industries of Canada

1932	Capital $	Employees No.	Salaries and Wages $	Cost of Materials $	Gross Value of Products $
Pulp and paper	597,550,013	24,561	28,348,128	48,970,967	135,648,729
Central electric stations	1,335,886,987	15,395	23,261,166	.....	128,420,233
Slaughtering and meat packing	53,227,929	9,101	10,349,315	65,575,957	91,246,523
Flour and feed mills	58,283,212	5,586	5,576,395	63,177,656	84,748,800
Butter and cheese	50,924,744	11,908	11,219,366	51,768,536	78,712,905
Non-ferrous metal smelting	149,708,860	5,343	8,778,970	37,719,947	76,442,076
Petroleum products	69,475,860	4,116	5,980,681	52,237,387	71,697,757
Printing and publishing	61,156,728	15,911	23,406,606	11,193,930	54,812,748
Bread and other bakery products	48,961,175	16,856	15,909,805	23,431,275	53,450,352
Electrical apparatus and supplies	82,458,754	14,305	16,262,368	20,414,844	53,264,918
Automobiles	49,641,777	8,810	11,435,741	28,278,809	43,801,389
Hosiery and knitted goods	52,604,950	17,655	13,474,974	19,349,634	43,252,752
Clothing, factory, women's	18,147,033	14,276	12,117,879	23,983,585	42,564,589
Sugar refineries	37,654,457	2,140	3,147,753	25,716,922	41,022,589
Rubber goods, including footwear	65,794,903	10,325	9,340,911	11,906,696	40,746,910
Cotton yarn and cloth	72,504,504	15,092	11,684,979	19,158,046	38,555,370
Sawmills	80,796,425	18,285	10,761,090	23,405,576	38,506,647
Breweries	57,398,055	4,353	5,932,225	10,210,482	38,212,192
Biscuits, confectionery, chocolate, etc.	45,402,886	10,526	9,425,498	15,594,694	37,386,093
Tobacco, cigars and cigarettes	42,351,650	8,236	7,127,070	18,787,261	37,361,781
Railway rolling stock	87,289,160	15,612	17,460,142	14,101,765	32,465,192
Boots and shoes	22,024,801	13,728	11,156,856	15,753,021	32,242,416
Printing and bookbinding	39,451,964	11,679	13,874,016	10,967,767	31,270,486
Fruit and vegetable preparations	40,586,892	5,954	4,056,746	15,600,602	30,034,537
Coke and gas products	93,534,495	3,639	4,897,746	12,241,698	29,812,650
Castings and forgings	79,225,330	12,452	11,821,243	9,825,439	29,285,144
Sheet metal products	51,671,470	6,372	6,756,826	14,831,672	27,886,299
Clothing, factory, men's	16,434,048	8,098	7,269,994	15,262,351	27,289,591
Machinery	57,753,031	7,191	7,894,912	7,731,233	22,270,195
Silk and artificial silk	28,021,412	7,036	5,756,865	7,858,104	19,864,843
Coffee, tea and spices	14,191,519	1,859	2,486,106	13,066,931	19,014,351
Furniture	30,910,489	8,348	6,882,087	5,921,666	17,998,842
Furnishing goods, men's	13,880,827	7,565	4,969,615	9,653,947	17,607,656
Medicinal and pharmaceutical preparations	18,379,601	2,959	3,833,778	5,595,117	17,573,979
Dyeing, cleaning and laundry work	24,893,114	11,170	9,020,441	1,587,586	17,302,779
Boxes and bags, paper	20,110,391	4,654	4,412,048	8,787,604	17,026,439
Fish canning and curing	17,043,212	4,128	2,344,164	10,263,631	16,684,125
Primary iron and steel	96,323,629	4,847	6,131,057	6,289,483	16,197,526
Planing mills	37,434,946	6,290	5,514,957	8,073,672	15,500,259
Paints, pigments and varnishes	23,978,252	2,658	3,858,813	6,295,860	14,912,383
Total, forty leading industries	3,843,069,485	379,019	383,939,332	770,591,353	1,682,095,045
Total, all industries	4,741,255,610	495,398	505,883,323	955,968,683	2,126,194,555
Percentage of forty leading industries to all industries	81.06	76.51	75.89	80.61	79.11

1933	Capital $	Employees No.	Salaries and Wages $	Cost of Materials $	Gross Value of Products $
Pulp and paper	559,265,544	24,037	26,591,049	47,632,521	123,415,492
Central electric stations	1,386,532,055	14,717	21,431,877	.....	117,532,081
Non-ferrous metal smelting	146,085,284	6,360	8,403,181	43,242,563	100,561,297
Slaughtering and meat packing	54,590,398	9,289	10,103,744	70,467,544	92,366,137
Flour and feed mills	59,054,505	5,470	5,108,137	63,297,848	83,322,099
Butter and cheese	57,849,628	13,145	12,541,035	54,482,522	80,395,887
Petroleum products	68,193,854	4,628	6,141,945	49,187,757	70,268,265
Bread and other bakery products	45,091,801	17,477	14,900,212	23,427,623	51,244,162
Cotton yarn and cloth	75,422,396	16,095	11,749,286	26,456,914	51,179,628
Printing and publishing	58,234,531	15,964	21,479,504	9,791,679	50,811,968
Clothing factory, women's	18,132,022	15,264	11,828,978	25,885,073	44,535,823
Automobiles	40,000,559	8,134	8,557,331	28,730,750	42,885,643
Rubber goods, including footwear	65,314,472	9,758	8,910,124	12,914,680	41,511,556
Hosiery and knitted goods	49,485,772	17,159	12,610,093	19,473,785	40,997,210
Sawmills	74,304,090	17,779	10,040,165	22,870,710	39,438,057
Sugar refineries	35,758,074	2,092	3,048,817	22,846,473	37,189,960
Electrical apparatus and supplies	80,844,131	11,767	12,428,430	14,504,269	37,012,509
Tobacco, cigars and cigarettes	50,218,586	8,241	6,752,159	17,974,715	36,784,662
Biscuits, confectionery, cocoa, etc.	41,410,901	9,891	8,114,234	15,725,547	35,176,094
Boots and shoes	22,963,783	14,526	10,509,461	16,347,068	32,291,092
Breweries	57,337,361	4,156	5,309,527	9,398,599	30,940,895
Fruit and vegetable preparations	37,286,824	6,530	3,842,575	16,461,755	29,981,400
Coke and gas products	94,225,476	3,526	4,606,308	12,729,075	29,936,975
Railway rolling stock	86,509,047	16,172	14,584,021	13,574,592	29,672,265
Printing and bookbinding	38,860,669	11,271	12,277,207	9,694,048	28,210,076
Clothing, factory, men's	14,954,100	7,969	6,547,993	15,643,813	26,622,689
Sheet metal products	53,851,889	6,000	6,033,783	13,828,178	25,963,828
Castings and forgings	72,810,073	11,111	9,816,895	8,053,094	24,197,347
Silk and artificial silk	30,192,870	7,801	6,138,532	7,795,542	22,754,969
Coffee, tea and spices	14,004,437	1,885	2,376,270	14,041,869	19,919,644
Furnishing goods, men's	14,280,349	8,189	4,884,635	10,784,990	19,082,571
Machinery	53,167,815	6,317	6,575,848	6,787,924	18,912,926
Primary iron and steel	96,444,846	5,200	6,049,189	7,598,931	18,492,549
Boxes and bags, paper	20,111,982	4,914	4,558,177	9,568,160	17,800,330
Fish curing and packing	15,532,775	4,064	2,287,385	10,960,289	17,380,323
Medicinal and pharmaceutical preparations	17,402,705	3,169	3,850,928	5,774,391	17,063,849
Leather tanneries	22,307,727	3,322	3,247,296	9,753,096	16,475,383
Woollen cloth	22,231,585	5,542	4,471,491	8,500,500	15,893,114
Dyeing, cleaning and laundry work	23,581,811	10,528	7,882,389	1,399,646	15,239,981
Furniture	27,089,361	7,722	5,656,006	5,267,902	15,016,942
Total, forty leading industries	3,800,936,088	377,181	352,246,217	782,876,435	1,648,477,678
Total, all industries	4,689,373,704	493,903	465,562,090	969,188,574	2,086,847,847
Percentage of forty leading industries to all industries	81.1	76.4	75.7	80.8	79.0

Vegetable Products. The vegetable products group of industries ranked first in importance in 1932 with regard to gross value of production and cost of materials used, and fourth with regard to volume of capital invested, number of persons employed and remuneration paid, according to the latest statistics available (issued in September, 1934). Reports received from 5,244 establishments showed that the gross value of production in 1932 was $436,736,251, representing a decrease of $98,343,212, or 18.4 per cent. from 1931. The capital investment decreased from $545,387,574 to $516,356,149 or 5.3 per cent. The employees numbered 72,390 in 1932, a decline of 5,316, or 6.18 per cent. Salaries and wages paid aggregated $70,047,452, a reduction of $8,975,063, or 11.4 per cent. Cost of materials used was $225,135,488, a decline of $35,469,074, or 13.6 per cent. The value added by manufacture was $211,600,763, which showed a decline of $62,874,138, or 22.9 per cent. The flour and feed milling industry was the leading one of the group in 1932, though its production registered a decrease for the year of $10,979,740. Bread and other bakery products came second, and the alcoholic beverages industries were third. Next in order came: tobacco; sugar; rubber; biscuits; confectionery; cocoa; chocolate and chewing gum; fruit and vegetable canning; coffee, tea and spice. For the principal returns of these and other industries, see the list of Forty Leading Industries on the preceding pages. Most of the industries in this group experienced declines in 1932, which were heaviest among those relying on the export market. Exports of wheat flour, for instance, declined from

7,514,778 barrels, valued at $37,540,495 in 1930 to 5,131,781 barrels, valued at $17,182,775 in 1932. Exports of alcoholic beverages had a value of $22,766,816 in 1930, and $11,691,460 in 1932. Exports of rubber and its products declined from $25,157,017 in 1930 to $6,672,048 in 1932. The total exports of manufactured vegetable products in 1932 were $47,668,656, whereas in 1931 the exports were $59,213,836. The imports were valued at $57,808,474 in 1932, as compared with $79,257,126 in 1931.

The Textile Industries, 1932. In 1932 reports were received from 2,002 establishments, comprising the Canadian textile group of industries, which was 47 over the number reporting in 1931. The gross value of production was $274,411,736, being $42,746,934, or 13.5 per cent., below the valuation in 1931 and the lowest figure reported since 1918. Capital invested in the industries was $321,593,062, a decrease of $30,751,011, or 8.7 per cent. The industries furnished employment to 102,116 persons, a decrease of 3,357, or 3.2 per cent. Salaries and wages amounted to $82,817,944, a decline of $9,686,144, or 10.5 per cent. Materials used, raw or partly manufactured, in 1932, totalled $129,468,738, which was $23,722,637, or 15.5 per cent. less than 1931. Manufacturing added to these materials $144,942,998, a decline of $19,024,297, or 11.6 per cent. as compared with the preceding year. The total gross value for 1932 was divided among the different industries as follows: (figures for 1931 in brackets) Cotton textiles, $45,351,012 ($50,986,932); woollen textiles, $25,301,015 ($25,456,037); silk, artificial silk and products, $19,864,843 ($18,187,492); dyeing and finishing, $2,537,348 ($2,893,333); knitted goods, $43,613,331 ($48,517,044); garment traders, $102,834,830 ($126,108,401); and miscellaneous textiles, $19,606,578 ($23,984,747). Imports of fibres, textiles and textile products in the calendar year 1932 were $68,949,025, a decrease of $21,202,491, as compared with the previous year. Of the total imports, $22,700,239 was for cotton and its manufactures; $16,213,759 for wool and its manufactures; $9,690,664 for silk and its manufactures; $2,947,357 for artificial silk and its manufactures; $6,406,718 for flax, hemp, jute and their manufactures; $8,655,878 for mixed textile products; $2,334,410 for other fibres and their products. Imports from the United Kingdom were valued at $27,180,987 in 1932, against $31,966,128 in 1931. From the United States the imports were $25,517,746 in 1932, and $35,017,342 in 1931. From other countries the imports were $16,250,292 in 1932 and $23,168,046 in 1931. Exports of fibres, textiles and textile products in 1932 were $4,814,610, as against $5,394,084 in 1931, a decrease of $579,474 for 1932; exports to the United Kingdom were $1,238,597, a decrease of $46,175; to the United States, $929,437, a decrease of $860,568; to other countries, $2,646,576, an increase of $327,269.

Iron and Steel and their Products, 1933. Principal final statistics of the manufacture of iron and steel and their products in 1933 (issued January, 1935), showed that the production in that year was valued at $211,961,908, as against $226,205,543 in 1932. The number of plants in 1933 was 1,291, as compared with 1,233 in the previous year. The capital employed was $580,760,379, as against $608,619,518 in 1932. Employees in 1933 numbered 70,947, and in 1932, 74,214. Salaries and wages amounted, in 1933, to $69,482,730, and in 1932 to $82,339,437. The cost of materials at works was $97,705,853 in 1933, as compared with $102,289,749 in the preceding year. The selling value of products of the important branches of the industry in millions of dollars in 1933 as compared with the selling value in 1932 (bracketed figures) was as follows: Primary iron and steel, $18.49 ($16.19); castings and forgings, $24.19 ($29.28); boilers, tanks and engines, $4.44 ($4.46); agricultural implements, $5.32 ($5.51); machinery, $18.91 ($22.27); automobiles, $42.88 ($43.80); railway rolling stock, $29.67 ($32.46); wire and wire goods, $10.51 ($10.40); sheet metal products, $25.96 ($27.88); hardware and tools, $9.76 ($10.53).

Imports into Canada of iron and steel and their products increased from $58,917,834 in 1933 to $69,126,641 in 1934, or 17.3 per cent.; exports increased from $17,277,099 in 1933 to $26,641,482 in 1934, or 54.2 per cent.

Non-ferrous Metals and Non-metallic Minerals, 1933. Final statistics, issued January, 1935, reported that the value of the manufactures of non-ferrous metals in 1933 amounted to $164,761,297 at the works. This figure was 8 per cent. above the corresponding value of $152,111,317 for 1932, but was 22 per cent. below the 1931 record of $211,862,412. There were 477 plants in operation in this group in 1933, or 25 more than in the previous year. Capital employed amounted to $266,266,443, a decline of $5,800,000. The number of employees was 25,273 in 1933, as against 26,704 in 1932; their salaries and wages fell to $28,099,026, a decline of $4,700,000. Materials used cost $71,990,608 in 1933, as against $67,934,940 in 1932. The value added by manufacturing in 1933 was $92,774,996; in 1932 the added value was $84,176,377. Of the seven different groups into which non-ferrous metals have been classified in accordance with the nature of their main products, all but the electrical apparatus industry showed gains in output values in 1933, as compared with 1932. The non-ferrous smelting and refining industry, which was the most important in 1933 from a value standpoint, advanced 31.6 per cent. to $100,561,297; brass and copper products gained 37 per cent. to $13,150,559; jewellery and silverware, 4 per cent. to $6,367,898; lead, tin and zinc products, 21 per cent. to $4,236,751; and the miscellaneous industry increased 34.5 per cent. to $658,316. The electrical apparatus industry declined 30.5 per cent. to $37,012,509, the lowest value since 1919 for the industry. Imports into Canada of non-ferrous metal products amounted to $18,095,404 in 1933 and $20,171,000 in 1934, an increase of 11.5 per cent. Exports were $42,642,318 in 1933 and $68,234,729 in 1934, an increase of 91.7 per cent.

Final statistics for 1933 of the manufactures of non-metallic minerals (issued January, 1935) showed that the value of the output was $141,791,451, as compared with $147,765,618 in 1932. There were 1,144 factories in operation in 1933, or 38 less than in the previous year, the decrease being due chiefly to the idleness of small plants in the cement products and the areated waters industries. The capital employed in 1933 was reported at $307,996,274, a decline of nearly $5,000,000 from 1932. Employment was afforded to 19,262 persons, as compared with 20,342 in the previous year; salaries and wages amounted in 1933 to $21,680,263, a decline of $3,000,000 from the previous year. Materials used in 1933 cost $71,713,986, as compared with $74,358,159 in 1932. Of the 15 different industries classed in this group, all but three showed lowered output values in 1933 as compared with 1932. Industries showing gains were: abrasive products, 1.38 per cent. to $3,550,456; coke and gas, 0.4 per cent to $29,936,975; lime, 1.6 per cent. to $2,432,306. Imports into Canada of non-metallic mineral products amounted to $87,658,005 in 1933 and to $83,396,761 in 1934, a decrease of 4.9 per cent. Exports were $9,215,837 in 1933 and $14,808,912 in 1934, an increase of $5,593,075.

Other Manufacturing Industries in 1933 and 1934. Chemicals and allied products during 1933 (final statistics issued January, 1935) were valued at $92,820,761, as compared with $95,279,376 in 1932, a decline of $2,458,615. Altogether 696 plants reported in 1933, a gain of 34 over the previous year. The capital employed in 1933 amounted to $153,900,930, a decline of $7,029,024. The number of employees in 1933 was 15,397, an increase of 102, who received $18,738,629 in salaries and wages, a decline of $1,269,479. Materials used by the industry in 1933 cost $34,271,854, and in 1932, $35,276,531. Among the 15 different industries included in the group the value of production in 1933, with 1932 figures in brackets, was as follows: acids, alkalies and salts, $12,713,045 ($11,357,649); polishes and dressings, $1,779,843 ($1,812,603); toilet preparations, $5,477,324 ($5,946,409); paints, pigments and varnishes, $14,896,693 ($14,912,383); medicinals and pharmaceuticals, $17,063,849 ($17,573,979; soaps and washing compounds, $14,896,693 ($14,739,158); fertilizers, $4,286,051 ($4,006,187); compressed gases, $2,490,215 ($2,504,550); inks, $2,106,436 ($2,153,632); coal tar distillation, $1,672,299 ($2,114,650); wood distillation, $669,120 ($607,394); adhesives, $1,141,761 ($1,087,215); explosives, $7,378,732 ($7,184,574); miscellaneous, $6,882,159 ($7,996,818). Imports into Canada of chemicals and allied products amounted to $25,455,432

in 1933 and $25,583,675 in 1934, an increase of 0.5 per cent.; exports were $11,099,814 in 1933 and $13,843,829 in 1934, an increase of 24.7 per cent.

Automobile production in Canada during 1933 was valued at $42,885,643, according to a report issued by the Dominion Bureau of Statistics, June 25, 1934. The figure given is a million dollars less than the production of 1932, and is the lowest value reported by the industry since 1917. It represents the selling value at the works of all motor vehicles, and parts for motor vehicles, made in automobile manufacturing and assembling plants, and also their receipts for custom work and repairs. There were 65,852 cars produced, with a sales value at factory of $38,630,463. This was an increase of 8.3 per cent. in number, but only 0.3 per cent. in value. The figures indicate an average factory price per unit of $587 in 1933, as against corresponding averages of $634 in 1932, $642 in 1931, $598 in 1930, and $785 in 1919. Seventeen companies made or assembled motor cars in 1933, having 22 separate factories in operation, of which 17 were in Ontario, 2 in Quebec, 2 in British Columbia and 1 in Manitoba. It is calculated that the industry operated at about 18 per cent. of capacity in 1933. The capital employed amounted to $40,000,559, of which $19,654,240 represented the then value of lands, buildings, fixtures and machinery. Employment was given in 1933 to a monthly average of 8,134 persons, paid $8,557,331, compared with 8,810 persons in 1932, paid $11,435,741. Wage earners received an average of $809 each, and most of the plants worked on short time for a part of the year. Materials used cost $28,750,750; the value added to these materials by manufacturing and assembling was $14,154,893. Imports of automobiles and parts, other than engines, in 1933 were valued at $12,040,858, compared with $12,797,085 in the previous year, a decline of about 6 per cent. The export trade in automobiles in 1933 amounted to $9,843,361, an increase of $2,751,367 for the year. The bulk of the imports came from the United States, which supplied $11,601,000 worth, or 96.4 per cent. of the whole. Canada's best markets for automobiles and parts, in order of importance, were: Australia, United Kingdom, British South Africa, British India, British West Indies, New Zealand, British East Africa, British Straits Settlements, Southern Rhodesia, British West Africa, Hong Kong, Portuguese Africa, Belgium, Newfoundland, Aden and Malta. Purchasers of cars, trucks and buses were financed in 1933 to the value of $20,158,788. Of this sum $10,030,368 was for new vehicles, numbering 15,880, and $10,128,420 for used vehicles, numbering 39,358. According to the census of 1931 there were then 13,070 retail merchandizing outlets dealing in automobiles, accessories and supplies, including 5,503 filling stations, 4,140 garages and 2,644 automobile dealers. The total receipts by these establishments were reported as $380,095,700 in 1930, workers 44,207, including 13,529 proprietors, 28,011 full time employees and 2,667 part time workers.

During the calendar year 1934 a total of 116,890 cars were produced in Canada, an increase of 78 per cent. over the 65,852 cars of 1933 and 92 per cent. over the 60,789 cars of 1932. The number of cars made for sale in Canada advanced 68 per cent. over 1933 to 72,481 from 43,178 and the number of cars made for export gained 96 per cent. to 44,409 from 22,674. A calculation to show the apparent consumption of cars in Canada may be made by deducting the number of cars exported from the sum of the production and imports. In 1934 production amounted to 116,890 cars and imports to 2,884, making an available supply of 119,774 cars, but as exports totalled 43,767 the apparent consumption was 76,007. Apparent consumption figures for other years amounted to 46,733 in 1933; 49,216 in 1932, and 76,759 in 1931.

Sales of radio receiving sets in Canada by authorized manufacturers and importers during 1933 numbered 130,493, valued at $5,383,846, factory selling prices, according to a report of the Dominion Bureau of Statistics (Feb. 13, 1934). During 1932 radio sets sold numbered 133,454, representing $6,758,959. The returns for 1933, therefore, indicated a decline of 1.5 per cent. in volume of sales, and 20.3 per cent. in value for that year. In 1931 there were 286,122 radio sets sold for $18,141,347; in 1930 there were 223,228 sales yielding $22,776,225. Radio manufacturers had on hand at the beginning of 1933 a supply of 32,175 machines. Including the year's production of 112,273 sets, the num-

ber available for sale in 1933 was 144,448 sets. At the end of the year there were 13,059 sets on hand. Of the total sales, Ontario took 41 per cent.; Quebec 20.3 per cent.; Saskatchewan and Alberta 12.1 per cent.; British Columbia 10.2 per cent.; Manitoba 9.6 per cent.; and the Maritimes 6.7 per cent. During the first half of 1934 radio production showed a large increase. There were 57,984 machines produced in the first half of 1934, valued at $2,164,890, as against 22,245 in the corresponding period of 1933, valued at $626,541. Inventories of receiving sets as of June 30, 1934, totalled 27,054 sets, as against inventories of 19,932 on Mar. 31, 1934, and 18,623 on June 30, 1933.

In the miscellaneous group the leading industries were: shipbuilding, mattresses and springs, musical instruments, scientific and professional equipment, brooms, brushes and mops. According to a report issued by the Dominion Bureau of Statistics, Sept. 19, 1934, there were 479 industries in the miscellaneous group in 1932 (the latest figures available). These concerns reported a capital investment of $65,600,126, and the employment of 11,155 persons, who were paid $11,822,441 for their services. The materials used cost $11,984,894, and the articles produced were valued at $33,242,610, leaving the value added by manufacturing at $21,257,716. The miscellaneous industries, like all other industries, continued to feel the effects of the prevailing depression. Compared with the previous year there was a drop in 1932 of $10,082,635 in capital investment, 1,666 in the number of persons employed, and $3,311,418 in the amount paid in salaries and wages. The value of the products was $12,107,712 lower, and the value added by manufacture declined by $6,931,745. As compared with 1931 the principal industries experienced in 1932 the following decreases: shipbuilding, production $4,690,511, capital $214,698, number of employees 1,076; mattresses and springs, production $1,919,562, capital $781,296, employees 115; musical instruments, production $2,935,346, capital $2,765,443, employees 476; scientific and professional equipment, production $4,919, capital $6,718,909, employees 32; and brooms, brushes and mops, production $820,388, capital $98,583, employees 8. The chief product now of the musical instrument industry—the radio—is mainly produced in the electrical apparatus industry which is credited to the non-ferrous metal products group, since by far the greater part of its output consists of industrial equipment, and not radios.

Production and Stocks of Liquor, 1933. The control and sale of liquor in Canada was the subject of a Report issued by the Dominion Bureau of Statistics (July, 1934), which gave an historic review of the liquor traffic in Canada, including a survey of the Provincial legislation for Government control. Production figures for the Dominion were compiled from the returns of the producers to the Department of National Revenue. The output of spirits had increased greatly during the previous few years, but the gain had been accompanied by large increases in stocks in warehouses; on Mar. 31, 1933, there were nearly 41 million proof gallons of spirits in warehouses. Data on the output of wine were taken from the industrial census reports, and referred to the calendar year.

Production: Spirits, Malt Liquors and Fermented Wines

Fiscal Year Ended Mar. 31	Spirits* Proof Gal.	Malt Liquors Gal.	Fermented Wines Gal.
1929	16,816,312	65,837,410	6,162,774
1930	16,813,433	63,450,516	5,718,354
1931	9,286,780	59,073,685	6,705,215
1932	7,099,637	52,297,431	5,620,945
1933	4,345,834	40,664,625	.....
1934	6,411,230	40,920,628	.....

*Includes non-potable as well as potable spirits.

The imports and exports tables of alcoholic beverages for the fiscal years 1929 to 1934, both inclusive, taken from reports on the Trade of Canada, do not include any estimate either of smuggling, or other illegal traffic in liquor, or of quantities carried away by tourists leaving the country.

Imports into Canada of Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Proof Gal.	$	Gal.	$	Gal.	$
1929	2,604,769	44,750,649	242,100	495,531	1,334,792	3,597,931
1930	2,446,800	41,283,758	259,003	541,961	1,365,321	3,200,768
1931	1,990,574	32,662,269	230,995	482,357	1,089,897	2,290,011
1932	1,421,214	23,798,052	195,664	388,319	900,317	1,743,509
1933	732,281	12,226,849	106,587	218,257	684,082	1,188,885
1934	718,016	13,065,871	93,602	194,234	532,984	963,794

Exports from Canada of Canadian-made Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Gal.	$	Gal.	$	Gal.	$
1929	2,389,543	24,389,885	4,110,698	5,608,366	40,046	120,656
1930	2,974,822	26,333,167	1,481,215	1,995,990	36,598	115,081
1931	3,288,506	18,877,041	270,102	337,210	11,441	71,793
1932	2,521,108	11,639,864	25,458	24,129	1,778	2,346
1933	1,996,113*	9,930,482	35,667	40,764	994	1,365
1934	2,577,330*	16,061,621	404,939	435,546	38,153	89,132

Re-exports from Canada of Imported Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Gal.	$	Gal.	$	Gal.	$
1929	245,185	5,206,934	634	2,340	195,227	2,983,155
1930	171,483	3,737,710	2,117	7,956	150,056	2,152,312
1931	26,258	521,228	4,366	7,303	18,573	298,179
1932	110	2,387	....	....	76	597
1933	45*	1,043	....	....	45	386
1934	1,238*	8,994	12	22	5,783	17,953

*Proof gallons.

Figures as to the apparent consumption of liquor in Canada were given but according to the Report, accurate statistics were not obtainable as several Provinces did not report sales on a gallonage basis, and also because of many unrecorded transactions. The total apparent consumption of spirits in 1934 was estimated at 1,584,263 gallons; in 1933, 1,497,669 gallons; in 1932, 2,461,994 gallons; and in 1931, 3,078,938 gallons. The apparent consumption of malt liquors in 1934 was estimated at 40,258,953 gallons; in 1933, 40,814,971 gallons; in 1932, 52,404,989 gallons; and in 1931, 59,029,034. The apparent consumption of wines, native and imported, was estimated as follows: in 1934, 3,218,386 gallons; in 1933, 3,162,514 gallons; in 1932, 4,237,797 gallons; and in 1931, 4,480,297 gallons.

Revenue from the manufacture and sale of liquor collected by the Dominion Government, through excise duties, excise war taxes and customs duties, during the fiscal year 1934 amounted to $21,482,014; during 1933 to $22,628,104; and during 1932 to $33,134,206. Separate data of sales taxes collected were not available.

Under the various liquor control systems in force in the different Provinces, the gross sales and net revenues during the fiscal year 1933 were as follows: (See sections on individual Provinces for Liquor Board control).

Provinces	Gross Sales	Net Revenue
Nova Scotia	$2,808,728	$ 343,553
New Brunswick	2,176,599	545,253
Quebec	12,702,927	5,773,219
Ontario	30,143,247	5,908,622
Manitoba	4,115,534	1,094,287
Saskatchewan	4,787,266	866,457
Alberta	2,929,946	1,422,723
British Columbia	8,607,317	2,321,735

Consumption of Luxuries, 1931 and 1932. A Report on the consumption of Luxuries in Canada in 1931 and 1932 (calendar years) was prepared by the Dominion Bureau of Statistics and issued on Oct. 24, 1934, to meet frequent demands for information on the subject. As the conception of what are luxuries naturally differs according to circumstances, it was explained that the statement was not to be considered absolutely complete and correct; it was to be treated rather as an attempt to throw some

light on the production and consumption of goods in Canada which were, more or less, in the nature of luxuries. Figures given are the selling values at the factory only, not retail prices. Commodities were grouped under eight main headings and consisted of articles which were not usually considered as being in the nature of absolute necessities. The apparent consumption, manufactured and imported, of the eight groups dealt with, was valued at $374,207,091 in 1931, and $294,509,269 in 1932. The various groups were estimated as follows for 1932: foods, $61,171,715; beverages, $70,683,131; tobacco, $74,991,317; clothing, $21,528,006; personal utilities, $14,472,340; house furnishings, $6,815,480; vehicles and boats, $28,254,984; and amusement and sporting goods, $16,592,296. The total value of production in Canada of these articles in 1932 was $282,134,046, or 13.3 per cent. of the total value of the production of Canadian manufacturing industries. Of the luxuries consumed in 1931 the production value in Canada was $343,141,286, or 12.7 per cent. of the total of Canada's manufactures.

Canadian Manufacturers' Association. The national association of Canadian manufacturers reported a membership at Apr. 30, 1934, of 3,458. With its head office in Toronto it had Division and Branch offices in Montreal, Quebec, Amherst, Ottawa, Hamilton, Winnipeg, Edmonton, Vancouver and Victoria. Major L. L. Anthes, Toronto, was President; James E. Walsh, Toronto, General Manager, and John T. Stirrett, Toronto, General Secretary. Its Executive Council met four times during the year: Montreal, Oct. 19, 1933; Toronto, Nov. 30, 1933; Hamilton, Jan. 12, 1934, and Toronto, Apr. 6, 1934. At the meeting on Oct. 19 it was reported that the Empire trade agreements of 1932 were beginning to show substantial results. Increasing shipments of lumber, fishery products and fruit were leaving Pacific ports, while exports through Atlantic ports to Empire markets showed considerable expansion. At the January meeting the President spoke with optimism of the business outlook and expressed gratitude and relief at the welcome change in conditions, while Gilbert Jackson, Professor of Economics at the University of Toronto, addressed the meeting on means necessary to promote national recovery. The 63rd Annual General Meeting was held in the Windsor Hotel, Montreal, June 7 and 8, 1934 (See also supplement at end of volume). Its procedure departed somewhat from that of previous meetings in that the customary reports of standing committees were consolidated and disposed of at the opening session, leaving later sessions free for the discussion of the important problems of the day. These were: (1) Unemployment Insurance, a topic introduced in a comprehensive address by Hugh H. Wolfenden, consulting actuary, Toronto; (2) Empire Trade Development, to the discussion of which valuable contributions were made by Sir William Clark, British High Commissioner, and the following trade commissioners: L. R. Macgregor, Australia; J. W. Collins, New Zealand; D. deW. Meyer, South Africa, and Lester S. Glass, British West Indies; and (3) Government Control and Supervision of Business, introduced by W. S. Morden, K.C., Toronto, Chairman of the Association's Legislation Committee. A distinguished guest was James A. Emery, General Counsel of the National Association of Manufacturers of the United States, who contributed an address on "Employment Relations in the United States." The Prime Minister of Canada, the Rt. Hon. R. B. Bennett, attended the annual banquet and in the course of his speech marshalled much evidence to show that Canada was emerging from the depression.

The work of the five territorial divisions of the Association had previously been reviewed at a series of annual meetings. The British Columbia Division met in Vancouver on Mar. 16, received an encouraging report on the progress of industry in the Province, re-elected J. G. Robson, New Westminster, Chairman, and heard an optimistic address from the national President, Major L. L. Anthes, on industrial and trade conditions in Canada. Major Anthes then attended the annual meeting of the Prairie Division at Regina on Mar. 23, this being the first occasion on which the Division had ever met in the Province of Sasatchewan. Here, exhaustive reports were submitted on the work of the year. Meetings of the eastern divisions, which were

of a routine character, were held as follows: Ontario Division at Kitchener, May 2; Quebec Division at Montreal on May 4, and Maritime Division at Saint John on May 9. Officers elected by the Divisions were:

	Chairman	Vice-Chairman
British Columbia	J. G. Robson, New Westminster	W. J. West, Vancouver
Prairie	J. A. Wotherspoon, Winnipeg	C. A. Graham, Edmonton
Ontario	A. L. Page, Hamilton	Henry Barrett, Toronto
Quebec	E. Howard Smith, Montreal	L. J. A. Amyot, Quebec
Maritime	N. A. Hesler, Sackville	D. R. Turnbull, Halifax

Canada's Trade in 1933-34

Among the twelve leading commercial countries of the world Canada stood ninth during the calendar year 1933. In the previous year, with a considerably smaller total trade, Canada held the seventh place. During 1933 Japan moved up from eighth to seventh place, Italy advanced from ninth position to eighth and Canada receded to the ninth. First in total trade came the United Kingdom with an aggregate trade of 4,559.9 millions of dollars. Other nations stood as follows (the figures given representing millions of dollars, Canadian currency): United States, 3,350.9; Germany, 2,977.7; France, 2,531.2; Belgium, 1,111.4; the Netherlands, 1,074.5; Japan, 1,038.1; Italy, 964.4; and Canada, 926.9. In domestic exports Canada ranked sixth in 1933 and fifth in 1932. The United States held first place in exports; the United Kingdom, second; Germany, third; France, fourth; Belgium, fifth; and Canada, sixth. In imports the United Kingdom was easily the leader, followed by the United States, France, Germany, the Netherlands, Belgium, Italy, Japan, British India and Canada.

According to the Condensed Preliminary Trade Report, issued by the Dominion Bureau of Statistics in June, 1934, the foreign trade of Canada during the fiscal year ended Mar. 31, 1934, was valued at $1,019,453,094 compared with a similar trade in 1933 amounting to $887,097,541, and in 1932 amounting to $1,166,069,421, showing an increase in 1934 over the previous year of $132,355,553, and a decrease as compared with 1932 of $146,616,327. The following table gives a summary of Canada's world trade for the fiscal years 1932, 1933 and 1934:

Summary of Canada's Trade with the World

	Years Ended March 31,			Increase (+) Decrease (—) 1934 Compared With—	
	1932	1933	1934	1932	1933
	$	$	$	$	$
MERCHANDISE					
Imports—					
Dutiable goods ..	388,498,048	256,377,100	250,476,412	138,021,636—	5,900,688—
Free goods	190,005,856	150,006,644	183,322,213	6,683,643—	33,315,569+
Total Imports.	578,503,904	406,383,744	433,798,625	144,705,279—	27,414,881+
Exports—					
Canadian produce	576,344,302	473,799,955	579,343,145	2,998,843+	105,543,190+
Foreign produce..	11,221,215	6,913,842	6,311,324	4,909,891—	602,518—
Total Exports..	587,565,517	480,713,797	585,654,469	1,911,048—	104,940,672+
Total Trade...	1,166,069,421	887,097,541	1,019,453,094	146,616,327—	132,355,553+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)	9,061,613+	74,330,053+	151,855,844+	142,794,231+	77,525,791+
COIN AND BULLION					
Imports	1,815,016	1,011,685	837,616	977,400—	174,069—
Exports—					
Canadian produce	44,994,578	50,722,602	64,952,531	19,957,953+	14,229,929+
Foreign produce..	22,860,214	6,842,342	2,749,629	20,110,585—	4,092,713—
Total Exports..	67,854,792	57,564,944	67,702,160	152,632—	10,137,216+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)	66,039,776+	56,553,259+	66,864,544+	824,768+	10,311,285+

	Years Ended March 31,			Increase (+) Decrease (—) 1934 Compared With—	
	1932	1933	1934	1932	1933
	$	$	$	$	$
Merchandise and Coin and Bullion					
Imports	580,318,920	407,395,429	434,636,241	145,682,679—	27,240,812+
Exports	655,420,309	538,278,741	653,356,629	2,063,680—	115,077,888+
Balance of Trade— Favourable (+) Unfavourable (—)	75,101,389+	130,883,312+	218,720,388+	143,618,999+	87,837,076+

Canada's imports (world trade) during the fiscal year ended Mar. 31, 1934, increased $27,414,881, or 6.7 per cent., as compared with 1933. The increases occurring in six of the nine principal groups of which the imports for the two years compared are shown in the table below. The increase in Canada's domestic exports (world trade) in the fiscal year 1934 was $105,543,190 or 22.3 per cent. as compared with 1933. The record of the principal groups is also shown in the table.

Canada's World Trade By Groups

(Fiscal Year 1934 compared with 1933)

Main Groups	Fiscal Years Declared Value 1933	Declared Value 1934	Quantities 1934 Valued At 1933 Price	Increase (+) Decrease (—) 1934 Compared With 1933 Value	Volume
	(Thousands of Dollars)				
Imports					
Agricultural and Vegetable Products	88,289	90,829	86,399	2,540+	1,890—
Animals and Animal Products	15,439	19,842	16,481	4,403+	1,042+
Fibres, Textiles and Textile Products	61,215	79,372	71,021	18,157+	9,806+
Wood, Wood Products and Paper	20,506	19,358	19,668	1,148—	838—
Iron and Its Products	58,918	69,127	69,788	10,209+	10,870+
Non-Ferrous Metals and Products	18,095	20,171	22,914	2,076+	4,819+
Non-Metallic Minerals and Products	87,658	83,397	92,453	4,261—	4,795+
Chemicals and Allied Products	25,455	25,584	25,833	129+	378+
Miscellaneous Commodities	30,809	26,119	25,856	4,690—	4,953—
Total Imports	406,384	433,799	430,413	27,415+	24,029+
Domestic Exports					
Agricultural and Vegetable Products	203,370	205,805	176,195	2,435+	27,175—
Animals and Animal Products	54,333	75,151	70,128	20,818+	15,795+
Fibres, Textiles and Textile Products	4,731	7,829	6,498	3,098+	1,767+
Wood, Wood Products and Paper	120,887	143,142	164,869	22,255+	43,982+
Iron and Its Products	17,277	26,641	29,348	9,364+	12,071+
Non-Ferrous Metals and Products	42,642	81,764	68,235	39,122+	25,593+
Non-Metallic Minerals and Products	9,216	14,809	15,297	5,593+	6,081+
Chemicals and Allied Products	11,100	13,844	14,597	2,744+	3,497+
Miscellaneous Commodities	10,244	10,358	10,259	114+	15+
Total Domestic Exports	473,800	579,343	555,426	105,543+	81,626+

Exports of Canadian products to foreign countries for the fiscal year ended Mar. 31, 1934, were $301,325,167 as compared with $251,681,028 in 1933. Exports to the United States were $194,450,295 in 1934 and $143,160,400 in 1933. The other important purchasers of Canadian products in order of extent were: the Netherlands, $19,655,271; Japan, $13,802,760; Belgium, $12,538,143; France, $11,907,478; Germany, $10,588,450; and China, 5,395,970.

Canada's imports from foreign countries in the fiscal year 1934 were $293,394,739 as compared with $285,999,420 in 1933. Imports from the United States were $238,187,681 and $232,548,055 in 1933. Among the other important imports in 1934 were: $9,922,704 from Germany; $6,898,411 from France; $3,579,726 from Peru; $3,569,707 from Colombia; $3,311,687 from Japan; $3,241,669 from the Netherlands, and $2,579,950 from Italy.

In the fiscal year 1934 Canada's imports from the United States exceeded its exports to that country by $38,829,593. The trade balance with the United States had been unfavourable each year since 1882; only in one year—1901—was the adverse trade balance less than in 1934. It reached

$346,745,142 in 1929; declined to $310,753,856 in 1930; and to $84,018,224 in 1933.

Canada's Trade with the United States

	Years Ended March 31,			Increase (+) Decrease (—) 1934 Compared With—	
	1932	1933	1934	1932	1933
	$	$	$	$	$
MERCHANDISE					
Imports—					
Dutiable goods	229,639,736	143,806,122	139,955,233	89,684,503—	3,850,889—
Free goods	122,047,039	88,741,933	98,232,448	23,814,591—	9,490,515+
Total Imports ...	351,686,775	232,548,055	238,187,681	113,499,094—	5,639,626+
Exports—					
Canadian produce...	235,186,674	143,160,400	194,450,295	40,736,379—	51,289,895+
Foreign produce ...	9,164,190	5,369,431	4,907,793	4,256,397—	461,638—
Total Exports ...	244,350,864	148,529,831	199,358,088	44,992,776—	50,828,257+
Total Trade	596,037,639	381,077,886	437,545,769	158,491,870—	56,467,883+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	107,335,911—	84,018,224—	38,829,593—	68,506,318+	45,188,631+
COIN AND BULLION					
Imports	1,721,437	968,372	788,564	932,873—	179,808—
Exports—					
Canadian produce...	44,057,911	50,722,592	15,909,378	28,148,533—	34,813,214—
Foreign produce....	21,684,792	6,820,429	247,231	21,437,561—	6,573,198—
Total Exports ...	65,742,703	57,543,021	16,156,609	49,586,094—	41,386,412—
Total Trade	67,464,140	58,511,393	16,945,173	50,518,967—	41,566,220—
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	64,021,266+	56,574,649+	15,368,045+	48,653,221—	41,206,604—
MERCHANDISE AND COIN AND BULLION					
Imports	353,408,212	233,516,427	238,976,245	114,431,967—	5,459,818+
Exports	310,093,567	206,072,852	215,514,697	94,578,870—	9,441,845+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	43,314,645—	27,443,575—	23,461,548—	19,853,097+	3,982,027+

The trade of Canada with the British Empire in the fiscal year 1934 consisted of: imports, $140,403,886; exports, $278,017,978, as compared with imports, $120,384,324, and exports, $222,118,927 in 1933. The following table gives Canada's trade with the ten leading countries of the British Empire for the year ended Mar. 31, 1934:

Canada's Trade With the Empire*

Imports		Exports	
From	Value	To	Value
United Kingdom	$105,100,764	United Kingdom	$227,592,838
Australia	5,406,582	Australia	12,138,869
British South Africa	3,642,197	British South Africa	7,680,446
Newfoundland	630,070	Newfoundland	6,130,698
New Zealand	2,575,158	New Zealand	4,480,219
British India	5,941,863	British India	3,743,360
Irish Free State	31,741	Irish Free State	3,514,785
Jamaica	2,640,286	Jamaica	2,633,019
Trinidad and Tobago	1,986,716	Trinidad and Tobago	1,997,460
Hong Kong	624,336	Hong Kong	1,253,866

*NOTE.—See pages following for Canada's trade with the Empire during the calendar year 1934.

A summary of Canada's trade with the United Kingdom for the years ended Mar. 31, 1932, 1933 and 1934 (from the Condensed Preliminary Report, Trade of Canada, 1934) follows:

Summary of Canada's Trade with the United Kingdom

	Years Ended March 31,			Increase (+) Decrease (—) 1934 Compared With—	
	1932	1933	1934	1932	1933
	$	$	$	$	$
MERCHANDISE					
Imports—					
Dutiable goods	79,693,730	55,691,414	57,037,796	22,655,934—	1,346,382+
Free goods	26,678,049	30,774,641	48,062,968	21,384,919+	17,288,327+
Total Imports ...	106,371,779	86,466,055	105,100,764	1,271,015—	18,634,709+
Exports—					
Canadian produce ..	174,043,725	184,361,019	227,592,838	53,549,113+	43,231,819+
Foreign produce	919,099	772,178	700,700	218,399—	71,478—
Total Exports ...	174,962,824	185,133,197	228,293,538	53,330,714+	43,160,341+
Total Trade	281,334,603	271,599,252	333,394,302	52,059,699+	61,795,050+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	68,591,045+	98,667,142+	123,192,774+	54,601,729+	24,525,632+
COIN AND BULLION					
Imports	13,689	18,985	29,965	16,276+	10,980+
Exports—					
Canadian produce ..	.....	10	49,043,153	49,043,153+	49,043,143+
Foreign produce	1,194	233	2,491,349	2,490,155+	2,491,116+
Total Exports ...	1,194	243	51,534,502	51,533,308+	51,534,259+
Total Trade	14,883	19,228	51,564,467	51,549,584+	51,545,239+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	12,495—	18,742—	51,504,537+	51,517,032+	51,523,279+
MERCHANDISE AND COIN AND BULLION					
Imports	106,385,468	86,485,040	105,130,729	1,254,739+	18,645,689+
Exports	174,964,018	185,133,440	279,828,040	104,864,022+	94,694,600+
Balance of Trade—					
Favourable (+)					
Unfavourable (—)..	68,578,550+	98,648,400+	174,697,311+	106,118,761+	76,048,911+

The increase in the imports from the United Kingdom, fiscal year 1934, as compared with 1933, amounting to $18,634,709 or 21.5 per cent., occurred in six of the nine main groups. Imports under the main groups of wood, wood products and paper, non-ferrous metals and their products and miscellaneous commodities, showed decreases; whereas the increase in the domestic exports amounting to $43,231,819 or 23.4 per cent., 1934, as compared with 1933, occurred in six of the nine main groups. The main groups of agricultural and vegetable products, iron and its products, and miscellaneous commodities, showed decreases. The total value of each of the nine main groups of imports from the United Kingdom, arranged in order of importance, with increase or decrease, 1934, as compared with 1933, was:— (1) fibres, textiles and textile products, $35,123,319, increase $9,543,124 or 37.3 per cent.; (2) agricultural and vegetable products, $20,341,396, increase $2,953,464 or 17.0 per cent.; (3) iron and its products, $16,711,935, increase $4,715,393 or 39.3 per cent.; (4) non-metallic minerals and their products, $13,229,645, increase $647,480 or 5.1 per cent.; (5) chemicals and allied products, $5,662,584, increase $1,079,240 or 23.5 per cent.; (6) miscellaneous commodities, $4,717,973, decrease $499,119 or 9.6 per cent.; (7) wood, wood products and paper, $3,243,905, decrease $154,325 or 4.5 per cent.; (8) animals and animal products, $3,102,972, increase $696,965 or 29.0 per cent.; and (9) non-ferrous metals and their products, $2,967,035, decrease $347,513 or 10.5 per cent.

The total value of each of the nine main groups of domestic exports to the United Kingdom, arranged in order of importance, with increase or

decrease, 1934 as compared with 1933, was:—(1) agricultural and vegetable products, $112,497,846, decrease $1,703,406 or 1.5 per cent.; (2) animals and animal products, $44,707,074, increase $14,754,426 or 49.3 per cent.; (3) non-ferrous metals and their products, $35,827,707, increase $21,229,056 or 145.4 per cent.; (4) wood, wood products and paper, $20,401,784, increase $9,099,-988 or 80.5 per cent.; (5) iron and its products, $5,237,085, decrease $337,810 or 6.1 per cent.; (6) chemicals and allied products, $3,130,678, increase $237,-104 or 8.2 per cent.; (7) fibres, textiles and textile products, $1,949,624, increase $655,645 or 50.7 per cent.; (8) miscellaneous commodities, $1,943,355, decrease $1,310,814 or 40.3 per cent.; and (9) non-metallic minerals and their products, $1,897,685, increase $607,630 or 47.1 per cent.

Canada's Trade in the Calendar Year 1934. According to *The Memorandum on Trade* issued by the Dominion Bureau of Statistics in February, 1935, showing Canada's total imports and domestic exports for the calendar years 1933 and 1934, 20 Empire countries and 55 foreign countries showed increases in the imports in 1934 as compared with 1933, while 27 Empire and 62 foreign countries showed increases in the exports. Canada's imports were $513,469,497 in 1934, and exports, $652,887,228, showing an excess of exports over imports to the extent of $139,417,731. In 1934, Canada's trade with the United Kingdom showed a favourable balance of $156,915,488; and in 1933, of $112,963,963. Canada's trade balance with the United States was unfavourable to the extent of $67,329,796 in 1934 and $42,045,904 in 1933.

Total exports of Canada to foreign countries in the calendar year 1934 were valued at $317,642,090 as against $276,567,818 in 1933. Exports to the United States in 1934 amounted to $243,189,466 and in 1933 to $194,061,944. Canada's exports to other principal foreign countries in order of value were: the Netherlands, $11,296,980; Norway, $4,469,505; Spain, $2,787,380; Mexico, $1,877,256; Sweden, $1,377,672; and Portuguese Africa, $1,252,361.

Comparative figures of Canada's total imports and domestic exports from and to British Empire countries during the calendar years 1934 and 1933 are given below (the figures clearly indicate the imports from and the exports to these countries which showed an increase over the year 1933):

British Empire Countries	1933		1934	
	Imports For Consumption $	Exports of Canadian Produce $	Imports For Consumption $	Exports of Canadian Produce $
United Kingdom	97,878,232	210,697,904	113,418,369	270,333,857
Aden	4,453	27,161	9,502	36,593
Africa—				
British East	967,581	439,097	1,380,538	590,446
British South	4,537,204	5,700,671	2,877,533	11,574,927
Southern Rhodesia	279	273,213	129,572	527,605
British West—				
Gambia	.....	6,222	.....	12,105
Gold Coast	417,936	188,921	370,091	105,861
Nigeria	124,769	88,300	231,632	91,239
Sierra Leone	776	60,360	4,024	75,479
Other British West Africa	.....	294	.....	628
Bermuda	155,111	1,191,757	163,277	1,094,248
British East Indies—				
British India	4,867,884	2,660,860	7,233,289	4,677,960
Ceylon	1,159,664	72,542	2,145,810	223,821
Straits Settlements	925,599	488,025	2,143,488	1,285,969
Other British East Indies	3,993	684	14,367	1,383
British Guiana	1,968,349	823,210	1,962,778	945,722
British Honduras	145,358	359,121	47,657	192,425
British Sudan	5,096	3,420	10,600	50,625
British West Indies—				
Barbados	3,059,430	963,561	4,924,015	1,051,195
Jamaica	2,742,714	2,519,298	4,111,742	3,017,811
Trinidad and Tobago	1,987,747	1,952,632	1,238,306	2,084,279
Other British West Indies	1,340,467	1,685,441	1,291,104	1,342,182
Falkland Islands	.....	.....	.....	.....
Gibraltar	.....	7,681	.....	16,432
Hong Kong	617,930	1,058,453	648,418	1,305,863
Irish Free State	26,824	3,422,074	29,547	3,820,762

British Empire Countries	1933 Imports For Consumption $	1933 Exports of Canadian Produce $	1934 Imports For Consumption $	1934 Exports of Canadian Produce $
Malta	160	181,608	46	169,704
Newfoundland	626,086	6,024,740	1,421,622	6,597,141
Oceania—				
Australia	5,079,778	10,208,286	6,374,087	16,870,370
Fiji	1,932,686	150,578	1,880,314	200,844
New Zealand	2,013,392	3,832,688	2,892,868	6,820,707
Other Oceania	.....	8,326	.....	12,122
Palestine	95,139	84,233	112,114	114,833
Total British Empire	132,684,637	255,181,361	157,066,710	335,245,138

The proportion of Canada's trade. in groups, was as follows. (The comparatively small amount of foreign produce exported by Canada being omitted).

Proportion of Trade With—	1933 Imports	1933 Exports	1934 Imports	1934 Exports
	%	%	%	%
United Kingdom	24.4	39.6	22.1	41.4
British Empire	33.1	48.0	30.6	51.3
United States	54.2	32.1	57.2	34.1
Foreign Countries	66.9	52.0	69.4	48.7

The Tariff Board. Up to the time of the approval by Parliament in November, 1932, of the Imperial Economic Conference Agreement between Canada and the United Kingdom any importer in Canada who thought he had cause for complaint against a duty imposed by the Department of National Revenue or against an arbitrary valuation, which was used as a tariff weapon during the period when foreign currencies were fluctuating, made his appeal to the Board of Customs, a body within the Department and composed of its chief officials. When the Tariff Board was established the Board of Customs ceased to exist and its powers to receive appeals were transferred to the Tariff Board. In the Conference Agreement Canada undertook to give British industries the opportunity of fair competition in this country and the task was imposed on the Tariff Board of investigating costs of production. With the approval of the Agreement the Canadian Parliament also rescinded Section 43 of the Customs Act (imposing arbitrary valuation of goods for Customs duty purposes) so far as goods entitled to the British preference were concerned. Then British exporters sought to take advantage of this Amendment and of the undertakings of the Agreement. British jute twine manufacturers exported their product here and when arbitrary valuation was imposed on these goods an appeal was made to the Tariff Board which decided in the exporter's favour, ruling that the Canadian authorities had no power to impose the arbitrary valuation on goods entitled to the British preference. Then followed other importations and further rulings by the Board adverse to the Department of National Revenue. Finally, when the Board, in a celebrated hat case, not only ruled against the valuation but ordered a rebate of the duty, the Government intervened. An appeal was made to the Governor-in-Council by a Canadian manufacturer of hats, which contended that the Board was exceeding its powers in the ruling. After a hearing by the Cabinet it was decided to refer the whole matter to the Supreme Court of Canada for a settlement. When the Court made known its decision the Prime Minister announced it in the House with comments as follows:

"The Supreme Court has decided that the Tariff Board had no power to determine questions of law, but only questions of fact. I have never been able to understand just why any other view was entertained. The second question was, 'Has the Tariff Board authority under the said Act (that creating the Board) to determine that the Orders of the Minister of National Revenue made under the old Statute were not binding?', and the Court held that the Statute we passed rescinding Section 43 in its operations, as promised,

did not operate with respect to Orders made before that Statute was passed. I resent even the suggestion that every promise made has not been implemented to the full with respect to the Conference Agreements. The promise was made by this Government to the United Kingdom that at the earliest possible date we would rescind the power conferred upon the Minister to fix the value for duty purposes of goods coming from Great Britain. In November, 1932, by Chapter 7 of the Statutes of that year, we did pass an Act that had the effect of making it no longer possible for the Minister of National Revenue, under Section 43, to fix the value for duty purposes on goods imported from Great Britain. There is no power now in the Minister to fix the value under Section 43 of goods imported from Great Britain; the Statute rescinding that power as it formerly existed was enacted by this House and the Senate and given the Royal Assent. But there were outstanding two or three Orders fixing values and the Tariff Board decided that those Orders were invalid although they had been passed prior to the date of the amending Statute that removed from the Minister the power to fix values. The Supreme Court has decided that those Orders were not thus made invalid."

"It is a little difficult," the Prime Minister continued, "to understand why there was any doubt as to the next question. It was merely that the Statute provided under Part 2 of the Act creating the Tariff Board, which substitutes the Tariff Board for the old Customs Board so that they may not sit in judgment upon themselves, that the same power that was possessed by the Customs Board should be retained, and that power is still retained by reason of the answer given to the third question. In other words, unless the Statute is repealed or amended by Parliament it does not by implication, through the creation of a new Board instead of the Customs Board, result in the Amendment or repeal of that Section of the Statute."

The reference by the Government to the Supreme Court had the net effect of denying the Tariff Board the right to rule on questions of valuation, and it provoked many speeches during the Budget debate and in Committee of Ways and Means by leading Liberals, including Hon. J. L. Ralston, the Opposition's financial critic. The Liberal Leader, Mr. Mackenzie King, also made it appear that the Government in their attitude toward the Board and its jurisdiction had violated the spirit, if not the letter of the Imperial Conference Agreement, but Mr. Bennett replied, the last time the matter was before the House on June 15, that this idea had its origin in propaganda and false impressions created in Great Britain by unfriendly newspapers.

Some three-score applications were dealt with by the Tariff Board (under the Chairmanship of the Hon. George H. Sedgewick, K.C.) during the period, June, 1933 to December, 1934. Recommendations to the Minister of Finance resulted in some cases in tariff increases and, in others in downward revisions of the Customs schedules. The following items are summaries of the References:

References Resulting in Tariff Changes. No. 3—An application by the Bathurst Power and Paper Co., Bathurst, N.B., for downward revision of the British Preferential Rate on sodium sulphate (salt cake).—British Preferential Rate reduced. No. 8—(a) An application by His Majesty's Government in the United Kingdom (Dundee Chamber of Commerce) for review of the Customs duties on jute twines and yarns; and (b) An application by Doon Twines, Limited, Kitchener, for upward revision of the rates on jute twines.—British Preferential Rate on Jute yarn reduced. All Rates on jute twine increased. No. 9—A request by His Majesty's Government in the United Kingdom for review of the Customs duties on canvas of flax, coated or impregnated.—British Preferential Rate reduced. No. 14—An application by the Canadian Horticultural Council, Ottawa, for upward revision of the Customs duties on nursery stock.—Entire nursery stock schedule was revised, resulting in reduction of duty on some items, while others were increased. No. 24—An application by Electric Chain Co., Toronto, and Smith-Nemo Ltd., Hull, for reduction of duty on jewellery findings.—All Tariff Rates on

jewellery findings reduced. No. 28—An application by H. W. Cooey Machine & Arms Co., Cobourg, for an increase in duty on firearms.—All Tariff Rates on metal parts for shotguns reduced. No. 30—An application by Tom Taylor & Co., Toronto, for reduction of rates on Egyptian sailcloth.—British Preferential Rate made Free. No. 32—An application by Smith-Nemo, Ltd., Hull, for reduction of duty on bases of alabaster glass, used in manufacturing imitation pearls.—Free entry under all Tariffs. No. 33—An application by the Canadian Ivory Button Manufacturers' Association, Toronto, for upward revision of duties on button blanks.—All Tariff Rates on button blanks increased.

References Resulting in No Tariff Changes. The following items are summaries of references dealt with by the Tariff Board with respect to which no tariff action had been taken by Parliament or the Government before the end of the year 1934. With regard to Reference No. 15, seeking upward revision of the Customs duties on fruits and vegetables, the Tariff Board reported that "no equitable protection can be devised which is based on fixed advances" and suggested "solution might be found in the establishment of a licensing board with power to control importations into Canada." No. 4—An application by Engravers Specialties, Toronto, for upward revision of duty on collodion. No. 6—An Application by Bowren Bros., Hamilton, for free entry of ripe figs in syrup, when imported in large containers for repacking. No. 15—An application by the Canadian Horticultural Council, Ottawa, for upward revision of the Customs duties on fruits and vegetables. No. 17 (Part 2)—An application by Dresser Manufacturing Company, Ltd., Toronto, for reduction of Customs duties on pipe couplings and parts thereof. No. 20—An application by McAllister Agencies, Ltd., Vancouver, for reduction of the duty on Red Telegage Liquid. No. 21—An application by Chemicals, Ltd., Montreal, for upward revision of the duties on nicotine sulphate. No. 25—An application by the Canadian Bronze Powder Works, Ltd., for upward revision of the duty on bronze powder. No. 29—An application by Hump Hair Pin Manufacturing Co., St. Hyacinthe, P.Q., for upward revision of the duties on hairpins. No. 34—An application by B. C. Rockgas, Ltd., Vancouver, for reduction of duty on rockgas. No. 43—An application by Powers Accounting Machines, Ottawa, for free listing of tabulating and counting machines imported from Great Britain. No. 47—An application by the Soybean Oil and Meal Co-operative Co. Ltd., Chatham, for an embargo on soybean oil meal imported under the General Tariff.

References on Which Interim Reports were Made; Some Tariff Changes. No. 1 (Woollens) and No. 56 (Carpets)—A request by His Majesty's Government in the United Kingdom for review of the Customs Tariff of Canada on woollens and carpets. No. 38—An application by R. P. Sparks, Ottawa, on behalf of the users in Canada, for reduction of British Preferential and Intermediate Tariff rates on cellulose acetate yarns.—Tariff Change—British Preference reduced. No. 39—An application by Silk Association of Canada, Toronto, for upward revision of the Intermediate and General Customs Tariff rates on artificial silk thrown yarn. No. 55—An application by the Canadian Manufacturers' Association, Ottawa, on behalf of ten hat makers, for upward revision of all tariff rates on hats, caps, hoods, and bonnets, n.o.p.—Tariff Change—British Preferential Rate increased. No. 42—Applications by the Lightning Fastener Co. Ltd., St. Catharines, and the Colonial Fastener Co. Ltd., Montreal, for upward revision of the Customs duties on hookless or slide fasteners.

The Department of Trade and Commerce. In a number of public addresses in various parts of Canada the Hon. H. H. Stevens, Minister of Trade and Commerce, dealt vigorously with pressing Canadian problems and took advanced ground on many of them. Speaking at Winnipeg on Oct. 26, 1933, he said that unless meat packers and other interests dealing in farm products took action to raise the prices the farmer received, the Government would have to step in and do it for them. (Canadian Press Dispatch). Mr. Stevens' address on Jan. 15, 1934, to the Na-

tional Shoe Retailers Convention in Toronto, during which he spoke of the operation of sweat shops in the clothing industry and the effect of mass buying generally, was the origin of the wide-spread investigation into price spreads and mass buying in Canadian business, launched by the House of Commons on Feb. 2, 1934; the Inquiry, undertaken by a Select Special Committee of eleven members which, on June 29, upon the proposal of Mr. Stevens, who was Chairman, was given the powers of a Royal Commission (see pages 38-43). The Minister of Trade and Commerce, in other addresses during the year, continued to urge the necessity of designing a formula of business ethics, and, if required, of legislation to enforce such principles. On May 5, speaking to a group of business men at Montreal, he arraigned large and powerful concerns paying dividends whose employees were compelled to seek relief because of low wages. At a meeting at Trinity United Church, Toronto, on June 10, he urged women to reject sweatshop goods. At Vancouver, Aug. 13, he again urged business men to set up a code of ethics and fair dealing so that restrictive laws would not be necessary. At Victoria, Aug. 17, he affirmed that Canada must adjust her business methods both externally and internally, and must keep to the controlled marketing methods to cope with nationalist tendencies of other countries. When interrogated at Nelson, B.C., on Aug. 21, Mr. Stevens defended private ownership and initiative, but condemned, as bad, methods by which men accumulated wealth through unfair competition. At Lethbridge, Alta., Sept. 2, he expressed his desire to finish his work and wipe out causes of inequalities in the Canadian business structure. Higher standards of business life were advocated in an address at Winnipeg on Sept. 4. On his return to Ottawa, in a Press interview, Sept. 7, Mr. Stevens expressed the hope that a Federal Trade Board would be established as a result of the Inquiry, to prevent the resort to unethical business conduct, such as secret discounts, etc. In the following month, Mr. Stevens resigned as Minister of Trade and Commerce and as Chairman of the Price Spreads and Mass-Buying Commission, continuing, however, as a member of the body. William W. Kennedy, K.C., M.P., succeeded Mr. Stevens as Chairman on Oct. 29. Several weeks later, on Nov. 17, the appointment of Richard Burpee Hanson, LL.B., K.C., (Con., York-Sunbury) as Minister of Trade and Commerce, was announced.

During 1933-34 the Headquarters Staff of the Commercial Intelligence Service (Department of Trade and Commerce) was reorganized and the following divisions were formed to facilitate the handling of correspondence and ensure thorough utilization of the economic and commercial information supplied by the Trade Commissioners: economics; animal products; wood and vegetable products; minerals, metals and chemicals; fish products and miscellaneous manufactures; commodity records.

To enable the Service to assist Canadian exporters to take full advantage of the opportunities opened up in British Malaya by the Ottawa Trade Agreements, an office, to function as the main office in the Middle East, was opened in Singapore in February, 1934. The post at Batavia was retained as a sub-office under the charge of an Assistant Trade Commissioner. Chile was transferred from the territory of the Buenos Aires office to that of the Lima office. Bulgaria, Roumania and Hungary were transferred from the territory of the Brussels office, the first two to that of the Athens office, the third to that of the Hamburg office.

During the fiscal year, 1933-34, the following Trade Commissioners made a tour of Canada to renew their contacts with Canadian exporters: Yves Lamontagne, Cairo; G. R. Heasman, Batavia; and J. H. English, London.

To take advantage of the favourable conditions that had developed in the United Kingdom, two conferences, attended by all the Trade Commissioners in Great Britain and the Irish Free State, were held in London to co-ordinate the work in this territory. A concerted effort was made to acquaint builders, architects and building and housing authorities with the excellent qualities of Canadian timbers and wooden doors with notable results in the way of sales. Similarly an effort was made to increase the sales of Canadian goods through import and export commission houses,

established in such centres as London, Liverpool, and Birmingham. The Animal Products and the Fruit Trade Commissioners, technical experts stationed in London, co-operated closely with the other Trade Commissioners ensuring that full use was made of the opportunities for Canadian exporters of these groups of commodities.

During the fiscal year, 1933-34, the Trade Commissioners and their assistants handled 9,044 inquiries from Canadian exporters and foreign importers; furnished 10,218 special market reports to Canadian firms; established 698 agencies and co-operated in arranging new business to the extent of $19,192,767, all during a period when International trade was conducted under the most difficult conditions. Efforts on the part of the Commissioners to promote Canadian trade included: a complete survey of the flour trade of Panama; securing a new market for Canadian newsprint in Java; arranging to supply South Africa with orange crates; interesting French, Swiss and Belgian importers in Canadian pulpwood; effecting a trade arrangement with Germany for a market for Canadian apples; the shipment of Canadian wheat to Greece; shipments of sawn lumber, railway sleepers, newsprint, wood pulp to China; an order for 8,000 tons of nickel for coinage from Japan; furnishing steel rails for South African railways; reviving the cod fish trade with Brazil; supplying Palestine citrus fruit producers with boxes for the first time, and effecting commercial arrangements more particularly dealt with in this Section under "Trade Conventions."

Practically every phase of Canada's industrial and economic life was dealt with by the Dominion Bureau of Statistics as a Division of the Department of Trade and Commerce carried on by R. H. Coats, F.R.S.C., F.S.S. (Hon.). Outstanding features of the work of the year were the completion of most of the final computations of the 1931 census; the holding of a Dominion-Provincial Conference on the statistics of public finance; the completion of the first census of merchandizing, and the setting up of a branch on institutional statistics in the field of social statistics.

Aggressive work was carried on by the Exhibition Commission with headquarters in London, England, in the promotion of trade. Other activities of the Department included: the Board of Grain Commissioners (see preceding pages), the Weights and Measures Inspection service, Electricity and Gas Inspection Branch, payment of mail and steamship subsidies, the administration of the Precious Metals Marking Act, and the distribution of bounties on certain Canadian products.

Trade Conventions. Under the Trade Agreement of 1932 between Canada and the United Kingdom, of which a summary was published in *The Canadian Annual Review*, 1932 pp. 323-24, nearly all Canadian goods qualifying for entry under the Preferential Tariff of the United Kingdom were entitled to duty free entry. This fact gives significance to the additional duties on foreign goods placed by the United Kingdom on the recommendation of the Import Duties Advisory Committee. Thirty such Orders were issued during the fiscal year 1933-34. Among the articles on which the margin of Empire preference was increased in this way were: oats and oat products, pearled barley, dead poultry, wooden doors, rubber footwear, buttons, linseed oil, iron and steel hollow-ware, feathers, glue, catalogues, trade lists, and out-of-date magazines. Thirteen Orders were made adding articles to the free list, and some existing rates were stabilized or reduced in the ten commercial Treaties made by the United Kingdom with foreign countries. Regulations brought into force Apr. 1, 1933, prescribed for a wide range of manufactured goods a 50 per cent. Empire content of material or labour as a requirement for Preferential Tariff treatment in the United Kingdom.

A three months' trade agreement, conceding the Canadian Intermediate tariff to Germany in return for most-favoured-nation treatment, *i.e.*, the benefit of all existing German Convential duties and otherwise General tariff rates (Germany has a still higher "super tariff"), expired on Apr. 1, 1933. A second Agreement extended the first one up to the end of 1933. A third

Agreement entered into for an indefinite period was approved by Canadian Order-in-Council (P.C. 2674) of Dec. 23, 1933, again conceding the Canadian Intermediate tariff of products originating in and imported from Germany, under the usual conditions of direct shipment. The German Government, in return, granted to Canadian goods all German Conventional tariff rates in force, and on commodities on which there were no Conventional rates, the German General tariff.

An Agreement entered into between Canada and Austria, effective July 10, 1933, accorded imports from Canada most-favoured-nation tariff treatment in return for the rates of the Canadian Intermediate tariff. Austria had in force a General tariff on all items, and, on a limited number of items, conventional or lower duties arising out of her treaties with other countries and which apply to Canada. This arrangement was to remain in force until Dec. 31, 1933, but by Order-in-Council (P.C. 2705) of Dec. 29, 1933, the Trade Agreement was extended to Jan. 1, 1935.

The Trade Agreement between Canada and New Zealand brought into force on May 24, 1932, for one year and extended first to Nov. 24, 1933, then to May 24, 1934, was, by Canadian-Order-in-Council (P.C. 978) dated May 10, 1934, extended for a further period of one year—to May 24, 1935.

An Exchange of Notes took place on July 27, 1934, between the Secretary of State for External Affairs on behalf of Canada and the Consul-General of Roumania on behalf of Roumania, effecting an Agreement on a reciprocal basis for the waiver of consular fees on certificates of origin.

On Sept. 29, 1934, Notes were exchanged in Paris between the Secretary of State for External Affairs of Canada and the Minister of Foreign Affairs of the French Republic supplementing the Trade Agreement of May 12, 1933, between Canada and France, by extension of tariff concessions on both sides. On June 16, 1934, France applied her General tariff on Canadian wheat and flour.

Tourist Trade in 1933. Canada's tourist trade in 1933 showed a marked contraction, reflecting the general lowering of incomes and the depression psychology, according to the Bulletin on the Tourist Trade issued by the Dominion Bureau of Statistics in April, 1934. Not only did the volume of travel diminish but there was a sharp drop in tourist expenditures. The total expenditure of tourists from other countries was placed at $117,-124,000 in 1933 as against $212,448,000 in 1932. The peak of the trade was in 1929 when it reached $309,379,000. Tourists were divided into three classes, the expenditures of which in 1933 were placed as follows: (1) tourists from overseas countries, $7,763,000; (2) tourists from the United States by automobile, $77,250,000 (Canadian dollars); and (3) tourists from the United States by rail and steamer, $32,111,000 (Canadian dollars). The arrivals of tourists from overseas numbered 9,650 in 1933 as against 10,755 in 1932. There were 3,096,887 automobiles entering Canada in 1933 for tourist purposes, a decrease of 24.5 per cent. as compared with the previous year, and 42.8 per cent. as compared with 1930, the highest record. By Provinces the expenditures of United States tourists were as follows: Maritime Provinces, $3,986,000; Quebec, $17,773,000; Ontario, $48,920,000; Manitoba, $774,000; Saskatchewan, $384,000; Alberta, $327,000; and British Columbia, $4,984,000. The number of tourists from the United States by rail or water was estimated at 775,248, as compared with 849,851 in 1932.

The expenditures of Canadian tourists in foreign countries during 1933 was estimated as follows: tourists to overseas countries, $13,982,000 (1932, $19,255,000); tourists to the United States by automobile, $24,611,000 (1932, $27,247,000); tourists to the United States by rail or steamer, $12,267,000 (1932, $10,901,000); and the total, $50,860,000 (1932, $57,403,000).

Motion Pictures. The results of the Census of Merchandizing and Service Establishments covering the operation of motion picture theatres and film exchanges from 1930 to 1933 were given in a bulletin on

Motion Picture Statistics issued by the Bureau of Statistics in February, 1935. The receipts of 924 motion picture theatres in Canada in 1933 were $24,954,200 as compared with 910 theatres in 1930 receiving $38,479,500. The receipts in 1931 were estimated at $33,997,800 and, in 1932, at $28,724,600. In 1933 the motion pictures employed an average of 5,238 persons (other than proprietors) of whom 3,842 were males and 1,396 females. The employees were paid $4,446,200 in salaries and wages. The decrease in motion picture theatre receipts from 1930 to 1933 was 35.1 per cent. In Ontario, which had the smallest decrease, the loss was 31.1 per cent. and in Prince Edward Island, which had the greatest decrease, the loss was 54.5 per cent. Between 1930 and 1933 the number of theatres decreasd, except in Saskatchewan, Alberta and British Columbia, the decline being greatest in Nova Scotia where it reached 33.9 per cent., New Brunswick having had a decrease of 28.2 per cent. In all Provinces, except Saskatchewan, a tax was levied on all forms of amusement with proceeds from motion picture theatres as follows: 1930, $3,698,600; 1931, $3,453,951; 1932, $2,903,043; and 1933, $2,737,929. Exclusive of amusement taxes the *per capita* annual expenditure of the people of the various Provinces during 1933, on this form of entertainment was: Prince Edward Island, .97 cents; Nova Scotia, $1.82; New Brunswick, $1.36; Quebec, $1.92; Ontario, $3.19; Manitoba, $2.60; Saskatchewan, $1.16; Alberta, $2.00; and British Columbia, $3.60; and all Canada, $2.40 as compared with $3.71 in 1930. There were 63 film exchanges in Canada in 1930 having total receipts of $9,808,500. They employed 495 men and 369 women who were paid $1,196,900. In 1933 there were 57 exchanges having receipts aggregating $6,609,500. The employees were 404 males and 312 females receiving $931,300. The receipts of motion picture theatres by Provinces in 1933 were as follows: Prince Edward Island, $85,700; Nova Scotia, $933,300; New Brunswick, $556,500; Quebec, $5,510,500; Ontario, $10,960,200; Manitoba, $1,820,700; Saskatchewan, $1,069,300; Alberta, $1,465,300; and British Columbia, $2,552,700.

Chambers of Commerce and Boards of Trade. At the Eighth Annual Convention of the Canadian Chamber of Commerce, held Oct. 11-13, 1933, in Ottawa, the statement of policy unanimously accepted urged on the business interests of the country active development of Canadian trade and the utmost promotion of Canadian enterprise. Economy in public finance, balanced budgets, the removal of trade obstacles, and private initiative and enterprise were affirmed. Governments were urged to keep out of business so far as they possibly could. While expressing the hope that the N.R.A. would work great benefit to the United States the Convention affirmed the belief that it was not advisable in Canada. The Empire Trade Agreements were approved and the opinion expressed that they had already worked to the advantage of Canada and the other parts of the British Empire. Closer and more cordial commercial relations between Canada and the United States were recommended. Immigration confined mainly to agriculturalists, as soon as conditions would permit, was proposed. The view was advanced that certain adjustments of mortgages were necessary to the resumption of business. It was suggested that unemployment relief should take the form of providing work as far as circumstances would permit. Efforts to encourage the extension of credits for the construction of factories, dwellings, and other buildings were urged and also an active constructive campaign. It was declared that the rewards of agriculture should be increased to a basis that would equal the rewards of other industries, and those in control of public policy and finance were requested to aid in the alleviation of the primary producer by increasing his prosperity. At the Ninth Annual Meeting of the Chamber in Winnipeg, Sept. 10-13, 1934, the key-note of the Convention was "Business and Public Welfare." Following the procedure adopted at their Ottawa Meeting in 1933, a Policy Committee was appointed and drafted a statement of policy which was adopted by the Convention. It urged the removal of duplicating taxation, reduction of the costs of Government, the elimination of overlapping Governmental services

and the curtailment of legislative and administrative bodies. The Dominion Government was recommended to assume leadership in assuring standards for the management of unemployment relief. The appointment of a Standing Committee on sound conduct of business was proposed. The work of the Joint International Committee was approved and the opinion was expressed that Canada and the United States should enter into negotiations with a view to mutual trade concessions. Chambers of Commerce were asked to support the League of Nations in its efforts towards security and the renunciation of war. Closer co-operation between the Dominion and Provincial Governments for the control of the sale of securities was recommended. The Dominion and Provincial Governments were requested to promote land settlement by suitable unemployed persons on small holdings of good land. The proposal that a Trade Mission to China should be organized was approved. The appointment of a National Committee to study the problems of immigration was recommended. Encouragement was given to the proposal to establish a Canadian Wheat Institute to stimulate the use and the marketing of wheat generally. The claims of agriculture were endorsed and the securing of new markets for agricultural produce was advocated. The principal officers chosen for 1934-35 were: President, A. O. Dawson, Montreal; Chairman of the Executive, P. S. Fisher, Montreal; Honorary Treasurer, M. L. Davies, Toronto; and Chairman of the National Committee on Sound Public Finance, the Hon. Sir Henry L. Drayton, K.C., P.C., K.B., Toronto.

Representatives of the Boards of Trade of the Province of Quebec assembled at Quebec, at the instance of the Canadian Chamber of Commerce on Jan. 13, 1934, to discuss economic conditions. The object of the gathering, (*The Gazette*, Montreal, Jan. 15) was "to help public men by suggesting means of cutting down expenditures, so that the burden for future generations will not become unbearable, and to educate public opinion against looking upon Government as a perpetual 'Santa Claus.'" Sir George Garneau was chosen as Honorary President. The gathering decided to set up a Committee of twelve, which would have power to add to their number, to organize the Province in an effort to bring the policy of public economy into operation. The Committee was to consist of two members named by the Montreal Board of Trade, two by the Montreal Chambre de Commerce, two by the Quebec Chambre de Commerce, and one, respectively, by the Boards of Trade of Three Rivers, Sherbrooke, St. Johns, Chicoutimi, Granby and Levis. Similar committees were to be formed in the different Provinces.

At the Annual Meeting of the Maritime Board of Trade at Kentville, N.S., Nov. 8-9, 1933, the revival of the Maritime Transportation Commission, associated with the Board, and which had been dormant since 1930, was a feature of discussion. The personnel of the Commission as recommended to the Provincial Governments was as follows: for New Brunswick, A. P. Paterson, Saint John; J. D. McKenna, Saint John, and N. A. Hesler, Sackville; for Nova Scotia, D. R. Turnbull, Halifax; Colonel A. N. Jones, Halifax, and Mayor C. H. Read, Amherst; for Prince Edward Island, R. E. Mutch, Charlottetown, and the President and Vice-President of the Maritime Board of Trade to be members *ex-officio*. The chair was occupied by N. T. Avard, President of the Board. In an address on the unemployment situation Mayor C. H. Blakeney of Moncton, referred to the great decrease in farming activities in the Maritimes between 1921 and 1931 which had led to 5,084 farms being abandoned with an aggregate acreage of 531,000 acres. He advocated a definite land settlement programme and an intensive agricultural movement. The 36th Annual Meeting of the Board, held at Saint John, N.B., Oct. 24-25, 1934, attracted representatives of nineteen Boards of Trade. The President, George B. Oland, occupied the chair. Recommendations of the Policy Committee were submitted and adopted; these were as follows: that the Provincial Government should adopt a hard-surfaced-road construction policy; that Boards of Trade should be asked to prepare data as to industrial opportunities for submission to their respective Governments; that the Federal Government should be asked to

continue and, at the same time, increase their assistance to the coal industry; that the Board should voice its commendation of the Marketing Act; that freer trade relations between Canada and Newfoundland should be urged upon the Dominion Government, asking them to consider also the appointment of a Trade Commissioner to Newfoundland; that certain highways should be kept open to traffic during the Winter; that the two great railways should reduce their operating expenses; that the use of Maritime products should be specified, where practicable, in all Provincial Government construction contracts; that Boards of Trade should co-operate in the holding of feature festivals to attract tourist trade; and that the re-establishment of the Annual Maritime Winter Fair at Amherst in 1935 be endorsed and commended to the Federal and Provincial Governments for financial support. The officers elected for 1935 were as follows: President, R. J. R. Nelson, Halifax; Vice-Presidents: for Nova Scotia, H. A. Rice, Canso; for New Brunswick, Mayor C. H. Blakeney, Moncton; and for Prince Edward Island, E. T. Higgs, Charlottetown.

The Canadian National Exhibition Association. At the Fifty-fifth Annual Meeting of the Canadian National Exhibition Association held at Toronto on Feb. 28, 1934, its President, John Inglis, stated that in over half a century the Exhibition had not passed through so severe a test as during the preceding year. The Report of the General Manager, H. W. Waters, showed that the attendance at the 1933 Exhibition had been 1,420,000, only 19,000 fewer than the previous year. Total revenue amounted to $751,082 and operating expenses, $582,687. The sum of $152,768 had been paid to the City of Toronto to meet debt charges on buildings and ground and for water rates, together with the net surplus of $4,464. The officers for 1934 were: President, F. H. Deacon; First Vice-President, Alfred Rogers; and Second Vice-President, George Brigden. On Apr. 19, the resignations of H. W. Waters, General Manager, and F. F. Brentnall, Treasurer, were accepted; Elwood A. Hughes, Secretary, was appointed General Manager and T. Gordon Dalgleish, Treasurer, both, *pro tem.* The attendance at the Exhibition of 1934 rose 83,300 over that of 1933; and revenue increased by $27,748. There was, however, a deficit of $18,190 after meeting operating expenses and the usual payments to the City of Toronto for debt charges and water rates.

Proposals for the Relief of the Railway Situation

Problems of the railway situation continued to engage the earnest attention of the railway managements and of the public during the period under review. Traffic returns continued to decline, though at a moderating rate. Falling revenues were met by curtailed expenditures. Railway transportation was maintained efficiently notwithstanding heavy financial losses. Various proposals continued to be discussed. These included co-operation, consolidation and unification of the two great railway systems. A further suggestion, on the basis of unified ownership, was advanced in December, 1934.

Steps to apply the principle of co-operation, as approved by Parliament, were taken by the two great railways. As to the progress made during 1933 the President of the Canadian National Railways, Mr. S. J. Hungerford, reported the organization of a Joint Executive Committee, consisting of the executive head and two directors of each railway, which Committee in turn appointed a Joint Co-operative Committee consisting of three technical officers of each company with power to investigate the details of specific co-operative proposals relating to railway activities. Other special committees were appointed to deal with co-operative measures in regard to express and telegraph operations. The results, so far accomplished, Mr. Hungerford observed, were evidenced in the partial pooling of passenger train services between Montreal and Toronto, and Ottawa and Toronto. Other economies had resulted from arrangements for joint operations such as switching, car cleaning and freight shed operation at a number of points where duplication existed, as well as the hauling of traffic by one railway for the other. Many similar projects were under study.

On this subject the President of the Canadian Pacific Railway, Mr. E. W. Beatty, observed in his 1933 Report that during the year measures had been agreed upon and put into effect: two of these were the pooling of train services between certain common points, and the consolidation of certain terminal facilities. None of these measures were of great magnitude, he said, but they had proved mutually advantageous in the direction of economy. Many other and larger matters had been the subject of study and discussion, and the Directors believed that the new year would witness more important achievements in the same field. Subsequently, in his Annual Address, Mr. Beatty pointed out that the principle of co-operation between the Canadian Pacific Railway and the Canadian National Railways had been applied, wherever practicable, with advantage.

Thus far, he said, a joint estimated annual saving of $1,000,000 had been effected and further plans were under consideration. The field of co-operation, however, had its limits. In his judgment, the railway structure of Canada was unsound, involving a loss of many millions of dollars per annum in good times as well as bad. Mr. Beatty re-affirmed his opinion that unification for the purpose of administration offered the only adequate solution of Canada's railway problem. He added that it had never been suggested that the Canadian Pacific should assume ownership of the National System; that would remain with the Dominion Government as would the ownership of the Canadian Pacific remain with its present proprietors. In effect, the suggestion was a partnership, with a division, on an agreed basis, of the net earnings of the properties jointly operated. He went into the subject more exhaustively in a paper delivered at the Canadian Political Science Association at Montreal, May 22, 1934, in which he declared again that the policy of compulsory co-operation, although it was being given a fair trial, offered little promise of substantial relief. Founded on expediency—not on reason and experience—it did not touch the heart of the problem. "I make this statement," he said, "deliberately and with confidence, because no man of any experience in railway operations has had the temerity to attempt to indicate that the possible economies from co-operation could conceivably be more than a small part of those to be reached through unification, according to the estimates compiled by experienced and competent railway operations. The only rational plan yet submitted—which meets the situation by assuring more net operating revenue to apply on the obligations of the Canadian National, and to provide a reasonable return to the owners of the Canadian Pacific—is that of unification for administrative purposes, the administration to be free of political control, with all its costly implications."

The Hon. C. P. Fullerton, Chairman of the Trustees of the Canadian National Railways, in the course of a message to the staff of the Railway issued in April, 1934, discussed amalgamation of the two great railways and denied that the situation of the Canadian National was hopeless. He said that the two grounds put forward in support of the proposals for amalgamation were: (1) that a very large saving could be effected; and (2) that it would relieve management from the evils of political influences. As to the first ground Mr. Fullerton pointed to reductions already effected by the Canadian National Railways through economical management, the expenses of the railway in 1933 being $113,000,000 less than those of 1928. When it was remembered that the operating revenues of both railways were under $263,000,000 it could be readily understood that the saving of such a further sum as suggested in some quarters was quite impossible. Mr. Fullerton was of the opinion that further sane, as contrasted with rash, economies were as possible under a policy of co-operation as under a policy of amalgamation. If the two railways were prepared whole-heartedly to join in the co-operation directed

by Parliament the savings would be approximately as great as they would be under amalgamation.

As to the alleged evils of political influences, everyone would admit that political interference could work great harm and that it was highly desirable that those who were directing any great enterprise should be untrammelled by a consideration of party politics. "Let me say once for all," declared Mr. Fullerton, "that to-day the Canadian National Railways are just as free from having to consider matters from a political angle as is any railway in Canada, and it is the intention of myself and my fellow Trustees that this shall remain so." While affirming that the Trustees individually, and as a body, were for many reasons opposed to anything in the way of amalgamation or unification, involving the taking over of the Canadian National System by its competitor, he observed that there were many people in Canada in favour of amalgamation of all railways, or failing that, management under a single administration, and it would be a mistake to under-estimate their importance. Many of the arguments advanced were forceful and appealing and were not to be lightly dismissed. He added that unless the position of all railways in Canada materially improved within the next few years, many experiments, at present unpalatable and unacceptable, might have to be tried.

In a statement presented to the Railway and Shipping Committee of the House of Commons at Ottawa on June 6, 1934, Mr. Fullerton said he was impressed by the potential earning power of the Canadian National Railways. The net earning power was at the moment obscured by the depression and by the unwieldy financial structure. There were duplicate lines and portions of the System which were unprofitable and never could be otherwise. Yet broadly speaking the System was well situated to serve the industrial East; its lines in Northern Quebec and Ontario had shown a surprising degree of development and its lines in the Prairie Provinces were fortunately located. He added: "To be a defeatist with regard to the potential earning power of such a property is to be a defeatist with regard to the future of Canada. What is called for at the present time is a policy of rigid economy and of careful administration, and this the Board of Trustees and the management intend to give to the best of their ability."

He stated that under the plan of co-operation 36 projects for the abandonment of approximately 2,100 miles of railway were being studied. Apart altogether from co-operation, a Committee of the Canadian National Railways had in hand the study of proposals for the abandonment of 1,150 miles of light traffic, non-competitive lines in various parts of the country. In dealing with the proposal to write down the capital structure of the Canadian National Railways he cited the Report of the Royal Commission which had been submitted to the Government in September, 1932, stating that a very substantial part of the money invested in the railways comprised

within the Canadian National System must be regarded as lost, and its capital liabilities should be heavily written down. He pointed out that no proposal had been made to write out of the railway accounts any loans furnished for capital expenditures. The amounts to be written out had to do with funds furnished to cover operating deficits, and bookkeeping entries for interest. Among the reasons for writing down the debt was the disheartening effect upon the management and the employees, who must face year after year an insurmountable burden of debt. It would stimulate the organization if they were given an objective which it would be within their power to reach. If that objective should be to earn the interest on the funded debt in the hands of the public that would constitute a task of real magnitude, but not beyond the possibility of accomplishment with a return to something like normal conditions. Speaking in Halifax on Oct. 16, 1934, Mr. Fullerton affirmed the conviction that amalgamation of the two great railway systems would not be in the interest of the country. He held that all that could be saved by amalgamation could be saved by co-ordination, if the railways honestly co-ordinated their efforts.

Replying to these observations on Oct. 25, the President of the Canadian Pacific Railway Company (Mr. Beatty) said that such a statement was palpably absurd unless it were assumed that no substantial economy would be permitted under either system. He anticipated that if the principle of unification became acceptable to Canadians as a whole they would get behind all legitimate efforts in order to effect the economies so badly needed, and if this theory was not entirely unsound there could be no doubt that the maintenance of two independent systems could not, with the greatest possible co-operative action, approach the economies possible through the unification of management of the two systems.

Another angle was given to the discussion by the proposals outlined by the Hon. W. D. Euler, Minister of National Revenue in the former King Government, in a speech before the Chatham Canadian Club on Dec. 10, 1934. While declaring that he was not speaking as a member of any political party, nor for any particular interests, but merely as a citizen, Mr. Euler suggested the following plan as a solution of the Canadian railway problem: (1) formation of a holding company to be known as Canadian Railways, Ltd., with a capitalization of, say, $1,600,000,000 of five per cent. debentures and $400,000,000 common stock; (2) maintenance of their separate corporate entities by the Canadian National and Canadian Pacific Railways; (3) each road to retain its existing liabilities but to transfer its assets to the holding company, each receiving in return $800,000,000 worth of the five per cent. debentures and $200,000,000 worth of common stock; (4) appointment of a board of directors of the holding company comprising 12 members, six of whom would be appointed by the Dominion Government and six by the C.P.R., with the Government choosing the chairman; and (5) the new company to operate the existing two railways as one system.

Commenting on this deliverance Mr. Beatty said, in part, on Dec. 11, 1934, that Mr. Euler's proposals reflected a broad appreciation of the dangers of a continuance of the existing situation and of the difficulties that lay in the way of its rectification. "As to the complete practicability and acceptableness of his proposals," he added, "it is early to speak. They require much more study than can be given them in a few hours, and he raises certain points upon which opinions are bound to differ."

The Hon. R. J. Manion, M.C., M.D., (Dominion Minister of Railways and Canals), speaking at Smith's Falls, Dec. 18, 1934, with reference to the proposal of Mr. Euler, said that the Government had no intention of proposing amalgamation of the two great railway systems. In his judgment the plan for joint operation under a holding company was "merely another name for amalgamation." (Canadian Press dispatch).

Towards the end of the Session of Parliament in 1934 the Minister of Railways gave notice of Bills in the Commons authorizing the merging of the express services and the telegraph services of the two great railway systems. Both Mr. Fullerton and Mr. Beatty who suggested this legislation pointed out "that the final decision to take this step had not been reached and depended upon the outcome of negotiations now going on." Four days later the notice was withdrawn, the Minister stating that "Latest information intimates that no agreement has yet been reached, or is in prospect of being reached at an early date, if at all." (See also "Federal Administration and Politics" in this volume).

The Railways in 1934. Comparative figures on railways for the six months ended June 30, 1934, issued August, 1934, by the Dominion Bureau of Statistics (Transportation and Public Utilities Branch) showed a substantial improvement. For the first half of the year the gross revenues were $140,195,200 in 1934 as compared with $120,328,621 in 1933. During the period mentioned the operating expenses in 1934 were $121,667,566 and in 1933 they were $113,284,398. The operating income worked out at $12,421,701 in the half year of 1934 as against $1,192,138 in the like period of 1933 showing a betterment of $11,229,563. The showing of the Canadian National Railways during the six months' period of 1934 was: operating revenues, $79,496,747 in 1934 and $67,474,871 in 1933 which included $12,918,322 from United States lines in 1934 and $10,513,394 in 1933; the operating expenses for the half year were $75,118,206 in 1934 and $70,453,852 in 1933 which figures included $11,071,527 on account of United States lines in 1934 and $10,017,758 in 1933. The net result for the six months was: operating income, $696,876 in 1934, as against a loss of $6,406,322 in 1933, which included from United States lines operating income of $250,211 in 1934 and a loss of $916,099 in 1933.

In the first six months of 1934 the Canadian Pacific Railway had operating revenues of $57,321,078 as compared with $50,654,742 in the corresponding period of 1933; operating expenses were $47,050,753 in 1934 and $43,698,019 in 1933; net operating revenue, $10,270,324 in 1934 and $6,956,723 in 1933; operating income, $8,054,412 in the first six months of 1934 as against $4,861,140 in 1933.

The total loading of cars for the 52 weeks of 1934 amounted to 2,319,936 cars as compared with 2,031,970 cars in 1933, 2,175,625 cars in 1932 and 2,575,450 cars in 1931. The total loadings of grain and coke were lighter than in 1933 by 524 cars and 2,398 cars respectively, but all other commodities showed substan-

tial increases. Miscellaneous freight was up by 107,451 cars, or 26.5 per cent.; coal was up by 52,199 cars, or 19.6 per cent.; merchandise, by 36,501 cars, or 6.0 per cent.; ore, by 22,092 cars, or 47.3 per cent.; pulp and paper, by 18,158 cars, or 23.1 per cent.; other forest products, by 17,368 cars, or 21.0 per cent.; lumber, by 15,959 cars, or 24.3 per cent.; pulpwood, by 15,742 cars, or 32.7 per cent.; and live stock, by 5,418 cars, or 7.4 per cent.

The Board of Railway Commissioners

During the calendar year 1933 the Board of Railway Commissioners received and dealt with 2,013 applications and complaints. Sixty-four of these were set down for formal hearing. The balance being 96.8 per cent. of the whole, covering a wide range of subjects, from matters of a more or less trivial nature to questions of general public interest and entailing considerable inquiry and consideration by the Board and its officers, were disposed of without formal hearings. The Board held thirty public sittings, twenty-three of which were in Ontario, three in Quebec and one each in Manitoba, Saskatchewan, Alberta and British Columbia. Approximately 390,299 miles were travelled by the Board and its officers and the time in formal hearings and necessary travel equalled 21.3 of every working one hundred days. Fifteen General Orders were issued by the Board and three General Circulars to railway companies under its jurisdiction. Altogether the Board issued 1,312 Orders.

The Board received and filed 48,586 tariffs (including supplements) of which 29,371 had to do with freight; 7,983, passenger; 3,661, express; 528, telephone; 31, parlour and sleeping cars; and 5, telegraph and 7, bridge tolls. This brought the grand total from the 1st of February, 1904, to 1,734,582. During the year the Engineering Department made 180 inspections in all parts of the Dominion of such matters as the opening of a railway for the carriage of traffic, of culverts, highway crossings, cattle guards, road crossings, bridges, subways and general inspections.

Accidents to the number of 879 were investigated by the Operating Department of the Board during 1933, covering 140 persons killed and 1,021 injured, as compared with 882 in the previous year covering 165 killed and 1,022 injured. The railways, subject to the Board's jurisdiction, reported 1,991 accidents during 1933 involving the death of 256 persons and injuries to 2,037. For 1932 the figures were 2,041 accidents, 288 persons killed and 2,032 injured. During 1933 the persons killed included 118 trespassers and those injured, 175 trespassers.

Investigations into 218 accidents at public highway crossings showed that 34 occurred at crossings protected by gates, bell, watchman and lightning flash signal, involving the death of 16 persons and injuries to 48. The remainder of the accidents, 184, were at unprotected crossings where 59 persons were killed and 240 injured. Automobiles were involved in 186 of the accidents, horses and rigs in 12, and pedestrians in 18. There were 5 automobile accidents at crossings protected by gates, 3 where watchmen were employed, 14 where there was bell protection and none where there were lightning flash light signals.

Forest fires attributed to railways in districts classified as forested were the lowest in number for 21 years in 1932 when they were 267 and were still lower in 1933 when they numbered 232. The latter burned 3,830 acres of young forest growth, 1,590 acres of merchantable timber, 5,547 acres of slashing or old burned lands not restocked, and 12,076 acres of non-forested lands. Under the Board's directions 1,065 employees of railways maintained special patrols, supplemented in emergencies by other employees available. The railways also constructed or maintained 5,584 miles of fire guards in uncultivated lands in the Prairie Provinces in compliance with the Board's requirements.

The Supreme Court of Ontario, Appellate Division, unanimously dismissed in 1933 an appeal of George P. Loribond, Kent, England, on behalf of himself and other Grand Trunk Junior Shareholders, from a ruling by Mr. Justice Kerwin, given Feb. 24, that the Exchequer Court of Canada was the proper

tribunal to deal with the complaint, and that the action should have been instituted by way of petition of right. In January, 1929, the plaintiff had caused a petition of right in the Exchequer Court to be delivered to the Dominion Secretary of State, but a *fiat* was refused by the Governor-in-Council, and the Judicial Committee of the Privy Council refused to entertain an appeal. The action in the Supreme Court of Ontario—Loribond *et al vs.* Grand Trunk Railway Company of Canada, Canadian National Railways and Attorney-General of Canada—then followed with the result above indicated.

Mr. Justice Gibsone of the Quebec Superior Court granted, June 13, 1934, an application by the Quebec Minister of Public Works, for the sequestration of the Quebec and Chibougamau Railway Company, which was insolvent, and not able to proceed with the construction of the railway which it had proposed to build in the vicinity of Lake St. John and north-westerly to Lake Chibougamau, and southerly to the City of Quebec.

Judgment was given on July 12, 1934, by the Judicial Committee of the Privy Council, which ended the four-year-old dispute between the Board of Railway Commissioners for Canada, the Canadian Electrical Association and the Canadian National Railways regarding responsibility of power companies for safety of transmission lines near railway tracks. The Judicial Committee upheld the ruling of the Supreme Court of Canada that conditions governing power lines beside or over railway tracks laid down by the Railway Commissioners were legally within the powers of the Board to make. The Board ruled that power companies were responsible for the safety of their own lines when they paralleled or crossed railway tracks, and that in the event of accident occasioned by the lines the railway should indemnify the victim, and the power company owning the lines should reimburse the railway. The power company held that the presence of their lines was in response to public need, and that they should be required to do no more than maintain their lines in a reasonable state of efficiency. Their Lordships dismissed without costs the appeal of the Association thereby upholding the judgment of the Supreme Court of Canada, and the ruling of the Board of Railway Commissioners.

Newsprint rates were revised under a judgment delivered by the Board of Railway Commissioners on Apr. 17, 1934. Shippers of newsprint had protested in 1929 to the Railway Commissioners of Canada and the Interstate Commerce Commission in the United States in regard to rates charged on newsprint from Canadian mills to United States publishers. Through the intervening years the complicated case was studied, and the Railway Commissioners finally handed out their judgment which dovetailed with that of the Interstate Commerce Commission. The new rates involved both increases and decreases of rates theretofore in force. They were designed to be on a more consistent basis and more properly related to the distance hauled, though preserving, substantially, the previous rate relationship as between the different producing and shipping points in Canada.

Railway Wage Agreement. Railway employees were subjected to a pay cut of ten per cent. in 1932. A further cut of ten per cent. was proposed in 1933, but after considerable negotiations was reduced to five per cent. making the total deduction fifteen per cent. which was to remain in effect until the end of 1934. Conferences between the representatives of the Railways and the employees held in Montreal on Oct. 11, 1934, and Oct. 24, resulted in an agreement as to which an official statement was issued Nov. 3. The agreement provided that commencing Jan. 1, 1935, the general rate of compensation would be revised so that the deductions from compensations calculated on existing basic rates of pay would be 12 per cent. instead of 15 per cent. and on May 1 the general rate of compensation would again advance reducing the total deduction to 10 per cent. Those employees previously subject to a percentage deduction of less than 15 per cent. would receive a proportionate restorative. There would be an exception for some of the shop employees, who were working on reduced time basis, by which such employees' deduction of 10 per cent. would be reduced by drops of 3 per cent. and 2 per cent. on Jan. 1 and May 1, 1935, respectively. The official statement added

that both sides expressed themselves as pleased with the fact that mutual ground was reached in the conferences. In the negotiations the Canadian National was represented by A. J. Hills, Chief of Personnel; the Canadian Pacific, by George Hodge, Manager, Personnel Department; and the Employee's Brotherhood by their General Chairman under the leadership of J. B. Ward, Chairman, General Adjustment Committee, Brotherhood of Locomotive Engineers, Canadian Pacific Railway, and Chairman of the Conference Committee of Brotherhood Chairmen.

Freight Rate Reduction. An important reduction in freight rates on certain export cattle from feeder points in Eastern Canada to Montreal, Saint John and Halifax was announced by the Hon. Robert Weir, Minister of Agriculture, on Jan. 6, 1934 (Canadian Press Ottawa dispatch). The reduction applied to cattle in transit which the railways had previously carried to feeder points. It was the result of long negotiations between the Department of Agriculture and the railways. The old rate was cut in half, the change effecting a saving to the farmer shipping in Ontario as it reacted in better prices for ranch cattle from Western Canada. Another freight rate reduction announced May 17, 1934, in a Canadian Press dispatch from Montreal, effected a cut on most cars of British Columbia lumber to Ontario and Quebec inland points of about 22 per cent. or about $132 per car, to such points as Montreal, Sorel, Three Rivers or Quebec the reduction was 33⅓ per cent. or approximately $198 per car.

Steam Railways in Canada During 1933

Steam Railways in Canada reported gross earnings in 1933 of $270,278,276, as compared with $293,390,415 in 1932. The figure for 1933 was less than half the revenue of 1928 and the lowest since 1916. According to the Report on Steam Railways of Canada issued by the Dominion Bureau of Statistics Aug. 20, 1934, from which this summary has been taken, freight traffic was the lightest since 1915, amounting to 21,092,594,200 revenue ton miles in 1933 as against 23 billion in 1932 and 41.6 billion in 1928. From 1928 passenger traffic had been rapidly declining, having reached in 1933 its lowest point at 1,393,041,245 passenger train miles since 1907. However, during the second half of the year 1933 improvements were indicated by the monthly reports of the larger roads both in revenues and traffic. Due also to reductions in operating expenses, net operating revenues picked up from May onwards. Turning to the other side of the account: operating expenses in 1933 were $233,133,108 as against $256,668,375 in 1932, showing a reduction of $23,535,267. The net operating revenue amounted in 1933 to $37,145,168 which was an increase of $423,128 over the preceding year. Thirty-six railways were in operation of which 15 failed to earn operating expenses, 18 failed to earn operating expenses, taxes and uncollectible revenues, and 23 reported corporate losses, including all income credits and debits. After allowing for interest, which amounted to $118,844,920, there was a net loss on all railways of $98,495,119. The corresponding figure for the previous year was $98,392,043. The extent of the investments in Canadian railways is shown by the fact that to the end of 1933 they stood at $3,365,464,253. At the same time the capitalization of these railways—including: stocks $928,808,623, debenture stock $510,025,928, and funded debt $2,951,690,467—represented the aggregate sum of $4,390,525,018.

The total mileage of all tracks was 56,698, which was a decrease of 325 miles as compared with 1932. Single track mileage was reduced from 42,411 miles in 1932 to 42,338 miles in 1933. The decreases were as follows: Quebec, 16 miles; Ontario, 28 miles; and British Columbia, 44 miles. These changes were, in part, offset by an increase for Manitoba of 13 miles and for Alberta of 2 miles.

From an analysis of the traffic return in 1933 it appeared that wheat diminished by 2,303,414 tons and that all other agricultural products, except corn, cotton and apples, also showed decreases. On the other hand animal

products increased from 2,180,459 tons to 2,319,026 tons. Mine products decreased from 19,503,194 tons to 18,382,039 tons. Sand and gravel dropped from 1,402,078 tons to 677,865 tons. Forest products increased by 544,407 tons or about 9.5 per cent. Manufactures and miscellaneous freight amounted to 14,239,120 tons as against 14,502,258 tons in 1932. Although retail sales of gasolene decreased only 3.3 per cent. the railway shipments diminished 14.7 per cent. indicating the greater transportation of this product by boat and motor truck. Petroleum oil and other petroleum products, excluding gasolene and asphalt, decreased by 69,726 tons or 9.6 per cent. There were large increases in wood pulp of 29.3 per cent., in automobiles of 20.8 per cent. and in miscellaneous unclassified freight of 4.8 per cent.

The total loading of cars for the year 1933 on all railways amounted to 2,032,157 cars which was 140,930 cars or 6.5 per cent. below the 1932 total. Loading of grain diminished by 57,326 cars, merchandise by 66,755 cars and miscellaneous freight by 63,432, but all other commodities were heavier than in the previous year. (See figures for 1934 and revised figures for 1933 under "Railways in 1934" in this Section).

Employment was given by the railways in 1933 to 121,923 Canadians as compared with 132,678 in 1932, the figures given being the monthly averages. Employees, whose services were chargeable to operating expenses received $145,581,043. The average wage per hour paid to those working on an hourly basis was 54.4 cents as against 56.8 cents in 1932. The average daily wage of employees on a daily, weekly or monthly basis was $5.390 in 1933 as against $5.606 in 1932.

Train accidents caused the death of 8 passengers and inflicted injuries on 306 in 1933. While the fatalities were slightly in excess of the two previous years, the other accidents were the smallest in number since 1919. Among the employees 41 were fatally injured in train accidents which was the lowest record for the previous twenty-five years. Employees injured by train accidents numbered 985 as compared with 957 in 1932.

Highway crossing accidents accounted for 15 persons killed at protected crossings and 63 at unprotected crossings. In addition, there were 46 persons injured at protected crossings and 201 at unprotected crossings. Twenty persons were killed in railway mishaps other than train accidents and 3,522 injured, the majority of the latter being trackmen and shopmen.

Freight cars in service numbered 204,662 in 1933 as against 210,996 in 1932. Passenger cars showed a decrease from 7,459 to 7,354. There were 5,187 locomotives in use in 1933 as compared with 5,266 in 1932.

Locomotives consumed fuel during 1933 to the extent of 5,815,790 tons, which included 5,521,052 tons of bituminous coal, 1,665 tons of anthracite, 10,433 cords of wood, 45,262,872 gallons of oil and 11,261 gallons of gasolene. The total cost was $23,329,927 or $4.01 a ton. In the previous year the consumption was 6,290,618 tons costing $26,479,644 or $4.21 a ton. In addition, rail motor cars used 649,741 gallons of gasolene costing $103,921 and 394,825 gallons of oil costing $114,526. The increase of this service is shown by the fact that in 1930 rail motor cars consumed 212,112 gallons of gasolene and 222,343 gallons of oil at a cost of $47,744.

The Canadian National Railways. Under the authority of the legislation enacted by Parliament in 1933 (Chapter 33) entitled "An Act Respecting the Canadian National Railways and to Provide for Co-operation with the Canadian Pacific Railway and for Other Purposes," the Governor-General-in-Council was empowered to vacate all nominations theretofore made to the Board of Directors of the Canadian National Railways and to appoint in their place three Trustees, in whom the direction and control of the Railway and its undertakings were to be vested, subject to the provisions of the Act. The appointment of the Trustees was announced officially in *The Canada Gazette* of Dec. 30, 1933, as follows: the Hon. Charles P. Fullerton, K.C., Ottawa, Chairman of the Board of Railway Commissioners for Canada; Frederick K. Morrow, Toronto, and J. Edouard Labelle, K.C., Montreal, to be Trustees; the Hon. Charles P. Fullerton to be Chairman.

Accompanying this action a proclamation was issued declaring that the Governor-in-Council had vacated all nominations to the Board of Directors, and had appointed Trustees in whom the direction and control of the Canadian National Railways and its undertakings were vested. The Trustees were sworn in at Ottawa on Jan. 2, 1934, by the Clerk of the Privy Council in the presence of the Prime Minister, the Rt. Hon. R. B. Bennett, and the Minister of Railways and Canals, the Hon. R. J. Manion.

On Jan. 31, 1934, the Chairman of the Board of Trustees announced the appointment of Samuel J. Hungerford, who was then Acting President, as President of the Canadian National Railways. The President was charged with the task of executing and performing, under and in conjunction with the Trustees, the powers, authorities and duties of the chief operating officer of the National Railways and such other powers as might be committed to him by the Trustees.

The retiring Board of Directors was composed as follows: S. J. Hungerford, Montreal; V. I. Smart, Ottawa; Tom Moore, Ottawa; Hon. M. Kennedy, Breadalbane, P.E.I.; James T. Cumming, New Glasgow, N.S.; J. Edouard Labelle, K.C., Montreal; Lucien Moraud, K.C., Quebec; John D. Palmer, Fredericton, N.B.; F. K. Morrow, Toronto; Gordon F. Perry, Toronto; W. A. Boys, K.C., Barrie; J. Fyfe-Smith, Vancouver, B.C.; R. Byron Horner, Blaine Lake, Sask.; James Ramsey, Edmonton, Alta.; W. J. Christie, Winnipeg, Man. The Board had also included George Henderson, of Montreal, who died July 6, 1933.

The Annual Report of the Canadian National Railway System for the calendar year 1933 was presented to Parliament on Mar. 27, 1934, by the Minister of Railways and Canals. The Report gave the working results of the System for 1933 as follows: Railway operating revenues, $148,519,742; railway operating expenses, $142,812,559; net revenue, $5,707,183. As compared with 1932 these figures revealed: a decrease of $12,583,852 in operating revenues; a decrease of $12,395,601 in operating expenses, and a decrease of $188,250 in net revenue. Including taxes of $5,270,248, interest on funded debt held by the public, and provision for other credits and charges, less amounts not required in cash, the cash deficit for the system, including Eastern lines, amounted to $58,955,388 which was an improvement of $1,103,118 as compared with the previous year. Including interest on Government loans, $36,034,141, the net income deficit for 1933 was $96,051,854 as against $96,532,459 in 1932. Decline in business activity, which marked the four preceding years, continued during 1933. There was an improvement in the second half of the year, but this was not sufficient to offset the decreases in the earlier months. Altogether gross revenues in 1933 were $163,766,289 less than those of 1928. Drastic reductions in expenditures during that period brought the expenditures down to a point $113,434,000 below the level of 1928.

Retrenchment curtailed the average number of employees from 111,383 in 1929 to 70,625 in 1933 and their compensation from $177,037,682 in the former year to $95,632,076 in the latter year. In addition to staff reductions, further salary revisions and reductions to the amount of $5,200,000 per annum went into effect in 1933.

Elimination of unprofitable passenger services brought about a reduction in 1933 of 1,327,972 train miles bringing the total reduction since and including 1930 up to 9,557,496 passenger train miles. Co-operation with the Canadian Pacific Railway, brought about partial pooling of passenger train services between Montreal and Toronto, and Ottawa and Toronto, as well as joint operation of other services where duplication existed. Operating revenues for 1933 were derived from the following sources: freight revenues, $112,319,218, a decrease of $8,395,790 from 1932; passenger revenue, $15,032,431, in 1933, a decrease of $2,226,487 for the year; express revenue, $8,029,515 in 1933, a decrease of $1,021,906; telegraph revenue, $3,690,090, an increase of $13,751.

The reduction of operating expenses for 1933 which amounted to $12,395,602, was effected as follows: labour $10,061,645, and material and miscellaneous $2,333,957. No capital expenditures for extensions were made in

1933, but only such additions and betterments as were absolutely necessary for safety, which amounted to $952,995 net.

Hotel operations reported a loss of $172,974 after taxes for 1933, as compared with a loss of $59,482 in 1932, which was due to the decrease of $556,864 in gross revenue during the year. During 1933, 4,953 acres of Canadian National Railways lands were sold for $39,122 an average of $7.90 per acre as compared with 8,120 acres in 1932 at an average of $8.45. There were 495 employees retired in 1933, under the Provisions of the Canadian National Railways Pension Act (non-contributory) and 246 pensioners died; the total number receiving pensions under this Act was, therefore, 3,250 at the end of 1933.

The following table gives the funded debt, with yearly deficit and cumulative deficit of the Canadian National System, which includes Central Vermont Railway from Feb. 1, 1930, during the eleven year period from 1923 to 1933 inclusive:

	Interest on Funded Debt			Deficit[1]		Cumulative Deficits[1]	
Year	On Public Debt $	On Dominion Government Loans $	Total $	Including Govt. Loan Interest $	Excluding Govt. Loan Interest $	Including Govt. Loan Interest $	Excluding Govt. Loan Interest $
1923	35,041,380	30,157,944	65,199,324	54,634,323	24,476,379	54,634,323	24,476,379
1924	38,361,704	31,271,043	69,632,747	54,474,547	23,203,504	109,108,870	47,679,883
1925	40,438,235	31,450,382	71,888,617	41,651,270	10,200,888	150,760,140	57,880,771
1926	[2]39,197,233	32,090,454	71,287,687	23,199,441	Cr.8,891,013	173,959,581	48,989,758
1927	40,526,097	32,505,234	73,031,331	37,526,900	5,021,667	211,486,481	54,011,425
1928	41,810,880	32,507,337	74,318,217	33,314,828	807,491	244,801,309	54,818,916
1929	45,503,980	32,690,545	78,194,525	46,610,317	13,919,772	291,411,626	68,738,688
1930	51,316,121	32,693,875	84,009,996	73,733,692	41,039,816	365,145,318	109,778,504
1931	55,587,145	32,643,624	88,230,769	99,275,680	66,632,056	464,420,998	176,410,560
1932	56,965,279	35,525,540	92,490,819	101,335,074	65,809,534	565,756,072	242,220,094
1933	56,465,427	36,034,141	92,499,568	97,651,957	61,617,816	663,408,029	303,837,910

[1] The deficit shown is as per the accounts and includes Government interest accounting adjustments of $12,199,307 and appropriation for insurance fund of $9,634,306, the actual cash deficit for the period being $282,004,297, as shown in Table No. 3.

[2] Interest at 4 per cent. on $34,927,098 G.T.P. debenture stock reduced under agreement to 2 per cent.

In the Report of the auditors of the Canadian National Railways, tabled in the House of Commons, May 7, 1934, the following appears: "It is our opinion that the present governmental liability structure of the National System conveys, particularly to the investing public, a picture which magnifies the actual difficulties, great as they are, in which the Dominion of Canada finds itself in respect of its nationally-owned railways." The Report suggested an adjustment which would face the fact of lost capital. Among the suggestions made were: writing down the Canadian Northern stock from $100,000,000 to $18,000,000; writing out completely the old Grand Trunk stock of $165,627,738; writing out completely the Government advances for deficits aggregating $324,074,527; writing out completely the Government grants in aid of construction represented by the old Grand Trunk debentures to the amount of $15,124,633.

On Dec. 28, 1934, Mr. Hungerford, President of the Canadian National Railways, gave the following figures regarding the operation of the System in 1934: estimated revenues, $164,900,000; expenses, $152,200,000; net operating revenue, $12,700,000 (Canadian Press dispatch).

In a speech delivered at Ottawa Dec. 30, 1934, the Hon. E. N. Rhodes, Minister of Finance, stated that railway deficits remained a serious problem, but there had been a substantial improvement in earnings, and the deficit for the calendar year 1934 payable by the Government would be $10,000,000 less than in the previous year. (Canadian Press dispatch).

The appointment of A. J. Hills to the Chief of Personnel, was announced by the President on Aug. 25, 1934, the position of Assistant to the Vice-President in charge of transportation formerly occupied by Mr. Hills, being abolished.

The Canadian Pacific Railway Company. Operations of the Canadian Pacific Railway were maintained up to the high standard of efficiency characteristic of the great undertaking, the ownership of which is widespread throughout the world. At the end of 1933 there were 75,828 holders of ordinary stock and 27,978 holders of preference stock of whom 13.13 per cent. were residents of Canada, 62.79 per cent. of the United Kingdom and other British countries; 19.57 per cent. of the United States of America; and 4.51 per cent. of other countries.

While the Directors announced with regret that the result of the year's operations did not warrant the declaration of dividends, they intimated that the earnings of December, 1933, and January and February, 1934, showed a gratifying improvement over those of the same period a year ago, and that the indications pointed to the probability of a continued improvement.

For the purpose of retiring obligations maturing in 1933 and 1934 the Company borrowed $60,000,000 from Canadian banks, repayable in five years with 5 per cent. interest *per annum* secured by pledge of consolidated debenture stock to the aggregate principal amount of $100,000,000 and by guarantee of the Dominion Government. One of the loan obligations maturing during the year, 1933, amounting to $38,750,000, was redeemed, and $1,411,100 of securities maturing in 1934 were acquired.

In his Annual Address the President pointed out that after several years of practically continuous decline, traffic returns towards the end of 1933 commenced to show an improvement over the corresponding period of the previous year which improvement was continued during the early part of 1934. The capitalization of the Company was still conservative and well balanced for, while the total assets at the end of 1933 amounted to $1,399,924,926, the capital obligations totalled $985,707,349 of which only $513,450,428 was interest-bearing and the remainder, $472,256,921 was the capital stock of the Company. The conservative policy followed in financing the Company since its inception, Mr. Beatty stated, had been an important factor in enabling it to meet the abnormal conditions experienced in recent years. (Mr. Beatty's complete Annual Address with the Company's Annual Report, including steamship operations, for the year ended Dec. 31, 1933, is contained in the Supplement in this volume).

The gross earnings of the Canadian Pacific Railway Company during 1933 amounted to $114,269,688. Working expenses (including all taxes) were $93,407,582, leaving net earnings of $20,862,105. These earnings were augmented by $6,222,481 of special income bringing the total up to $27,084,586. After deducting fixed charges of $24,388,614 there remained a surplus of $2,695,972. Of this money $1,438,811 was applied to pensions and $1,257,160 was transferred to Profit and Loss and Surplus Revenue Account.

There had been a constant decline in gross earnings since 1928, when they achieved a new peak, namely $241,978,461. In the following years there were declines amounting to: $18,700,000 in 1929; $33,200,000 in 1930; $42,200,000 in 1931; $23,900,000 in 1932; and $9,700,000 in 1933. Altogether there was a total recession in these years of $127,708,773 or 53 per cent. The management was hopeful that the low point in gross earnings had been reached in 1933 to be followed by a progressive increase to normal levels.

The Company's adjustments to meet the decline in gross earnings brought down the working expenses from $189,028,332 in 1928 to $93,407,582 in 1933, being a difference of $95,620,750 or 51 per cent. in favour of the latter year.

The decline in gross earnings in 1933 which amounted to $9,667,025 was mainly due to a decrease of $2,437,535 in passenger traffic earnings, and $6,196,147 in freight earnings, attributable to reduced grain traffic.

Gross earnings from freight were $85,734,676 in 1933 and $91,930,823 in 1932; from passengers, $14,279,768 in 1933 and $16,717,304 in 1932; from mails, $3,490,696 in 1933 and $3,621,875 in 1932; from sleeping and dining cars, express and miscellaneous, $10,764,546 in 1933 and $11,666,712 in 1932.

Reductions in working expenses, including taxes, effected in 1933 amounted to $10,439,146 of which $2,182,290 was in maintenance expenses and $6,987,492 in transportation expenses. Further revisions of wages were made, after protracted negotiations and proceedings before Boards of Conciliation so that at the close of the year a deduction of fifteen per cent. from basic rates of pay of all classes of officers and employees, except in respect of a group still under negotiation, was in effect. In the case of salaries for those higher in the service the deduction was twenty per cent. Directors fees continued to be cut twenty-five per cent. and the deduction from the President's salary was increased at his request to forty per cent.

The average number of miles operated in 1933 was 17,030 miles as against 16,888 in the previous year. The total train mileage was 33,235,144 miles in 1933 and 36,972,491 miles in 1932; passenger car mileage, 107,448,246 in 1933 and 122,425,058 in 1932; freight car mileage, 594,827,475 in 1933 and 624,351,933 in 1932. Passengers carried (earning revenue) were 7,173,527 in 1933 and 7,916,266 in 1932. Tons of freight (all classes) carried one mile numbered 10,432,926 in 1933 and 11,212,041 in 1932. The average amount received per ton per mile of revenue freight was 0.910 cents in 1933 and 0.905 cents in 1932.

At the close of 1934, Mr. Beatty was able to announce that the Canadian Pacific Railway had had moderate increases in its gross and net earnings during the year. He predicted that the improvement would continue during 1935. (Canadian Press dispatch).

Changes in the personnel of the Company during 1934 included: the retirement on pension of Sir Gordon Johnson, Bart., Registrar and Auditor of Agencies Department, after thirty years and three months' service; the appointment of W. A. Mather, Assistant to the Vice-President in Montreal, to be General Manager of Western lines; the appointment of C. A. Cotterell, General Superintendent of the British Columbia District, to the post of Assistant General Manager including Vancouver Island; the appointment of Fred A. Gaby, formerly Chief Engineer of the Ontario Hydro-Electric Power Commission, to be Assistant to the President, in charge of investigation of competing forms of transportation and co-operation with the Canadian National Railways to increase economies. Mr. Gaby also took over the duties of Vice-President of the Seigniory Club Association of Montebello, formerly discharged by the Hon. C. A. Dunning who resigned to become President of the Maple Leaf Milling Company.

The death of Mr. Grant Hall, Senior Vice-President of the Railway, on Aug. 29, 1934, removed an outstanding and distinguished officer whose career and personality elicited the highest tributes from Mr. Beatty and other leaders in the railway world.

Miscellaneous Railway Affairs. During 1933 the deficit of $68,789 in the operation of the Pacific Great Eastern Railway, owned by the Province of British Columbia, was changed to an operating surplus of $73,201, according to a Press announcement in March, 1934. Later on it was stated that in the first eight months of 1934 revenues had exceeded expenditures by $53,242; an improvement of $35,095 over the corresponding period of 1933.

The question of a Peace River railway was again brought to the attention of Parliament in 1934 by D. M. Kennedy (Prog., Peace River) in the form of a Resolution moved in the Commons on Mar. 28, declaring "that in the opinion of this House the Peace River Country should be connected by direct railway outlet to the Pacific Coast." The Resolution was supported by several Members. The Minister of Railways and Canals, the Hon. R. J. Manion, who said that the problem was a financial one involving an outlay of from thirteen to eighty million dollars, according to the branch lines contemplated. He believed, however, that conditions had improved so much that, without promising immediate construction, or anything of that sort, he could promise that the matter would be given fair and honest consideration. With the addition of the words "when circumstances permit," inserted at the Minister's suggestion, the Motion was carried.

One of the most serious railway accidents in many years occurred on the main line of the Canadian National Railways a short distance west of Dundas on the evening of Christmas, 1934. An extra passenger train in difficulty proceeding from London to Toronto had been stopped on the siding to enable the Maple Leaf flyer from Detroit to Toronto to pass through. Due to a misunderstanding the flyer was also switched to the siding and crashed into the excursion train, killing 15 persons and injuring 31. After an inquest, Edward S. Lynch, brakeman, was held for manslaughter, but after trial by jury he was acquitted of the charge.

The death of Sir Donald D. Mann on Nov. 10, 1934, removed a remarkable figure in the railway world. He was described as the master mind in the construction of the railways organized and financed by Sir William Mackenzie. Sir Donald had reached the advanced age of 81, after a career of great activity and usefulness.

Postal Affairs, Express Companies, and Other Traffic

The Postmaster-General of Canada, the Hon. Arthur Sauvé, in his Annual Report for the fiscal year ended Mar. 31, 1933, showed a decrease in expenditure of $4,281,158 and a surplus of $657,328. This surplus would have been increased by $750,000, approximately, if the services rendered without charge to the various Departments had been paid for. The net revenue for the year amounted to $30,825,155 and the expenditure, to $30,167,827. For the previous year the revenue was $32,476,604 and the expenditure, $34,448,986 with a deficit of $1,972,382. There had been deficits since 1927 ranging from $1,629,001 in that year to $5,876,496 in 1931.

There were 12,133 Post Offices in operation in Canada at the end of the fiscal year, 132 new Offices having been opened and 191 Offices having been closed as the service was unnecessary owing to the limited number of patrons. Money order business was transacted in 6,467 Offices, an increase of 53 over the previous year. Of the total revenue received in 1932-33 the sum of $25,999,159 was from the sale of postage stamps, post cards, etc.; $1,398,133 paid on newspapers; $833,748 paid on third-class printed matter; $2,813,743 paid on metered mail; $3,128,326 paid on parcels; $1,360,540 commission on money orders; and $335,732, rents of letter boxes and drawers. Mail services accounted for $13,501,139 of the expenditure; salaries, for $15,539,819; and miscellaneous, for $1,126,869. The Air Mail Service reported 454,303 pounds of mail carried and 432,378 miles flown in 1933, as compared with 443,501 pounds of mail carried in the previous year and 1,229,021 miles flown.

Canada was represented at the Postal Union Congress held in Cairo from Feb. 1, 1934, until Mar. 20, 1934, by the following delegates; the Hon. Arthur Sauvé, Postmaster-General; H. Beaulieu, Director, Administrative Services; E. J. Underwood, Chief Superintendent of Post Office Service; Jean Bruchesi, Secretary to the Delegation; and Yves Lamontagne, Canadian Trade Commissioner at Cairo, Attaché. Practically all countries in the world were members of the Postal Union, 83 being represented, and 7, unrepresented. Among the matters dealt with by the Congress were: twenty per cent. reduction in transit charges—the amount paid by a country for the conveyance of its mails by the postal services of another; standardization of the dimensions of the various categories of correspondence; reductions in the rates for literature for the blind, in fees for special postal services, in the penalty for insufficient prepayment and in the fee for tracing missing mail.

Express Companies. Gross revenues of the four express companies in Canada declined from $16,870,806 in 1932 to $15,226,015 in 1933, but due to a reduction in expenses and also in express privileges, (amounts paid to railways, etc., for carrying express matter) net operating revenues increased from $83,023 to $122,740 and the net corporate income from $68,165 to $122,338. The companies paid $8,497,892 for operating expenses and $6,605,225 for express privileges. Money orders, travellers cheques, and other transfers of money

amounted to $43,579,612, which was $1,931,412 less than the previous year's business. The total payroll amounted to $6,232,738, of which the 3,998 full-time employees received $5,759,047 and part-time employees and others on commission received $473,711. The combined systems operated over 42,471.09 miles of steam railways, 278.67 miles of electric railways, 5,176.32 miles of steam boat lines, 169.50 miles of stage lines and 82 miles of miscellaneous lines, making a total of 48,177.58 as compared with 48,818.90 miles during the previous year. In addition, there were 14,227 miles of ocean mileage, operated by the Canadian Pacific Express Company, making a grand total of 62,404.58 miles.

The Canadian National Express, operating over 24,332.64 miles of lines, employed 2,221 persons who received $3,083,418 in salaries and wages. Gross receipts from operation were $7,906,192, operating expenses, $4,367,926, express privileges, $3,552,251, operating deficit, $48,298, and net corporate deficit, $5,399.

The Canadian Pacific Express Company, operating over 32,904.68 miles of rail and ocean lines, employed 1,712 full-time employees who received $2,567,350 in wages and in addition part-time employees who were paid $466,182, making a total of $3,033,532. Gross receipts from operations were $6,882,296, operating expenses were $3,886,299, express privileges, $2,841,835. There was an operating income of $69,722 and net corporate income of $120,279.

The Northern Alberta Railway, operated by the Department of Railways, reported receipts from operations $84,054 less express privileges, $46,020, and operating expenses, $30,418, showing a net operating revenue of $7,616. The Railway Express Agency, operating mainly over Canadian sections of United States railways reported gross receipts, $413,471, express privileges, $185,118, operating expenses, $213,247, and net operating revenue, $15,105.

Electric Railways in 1933

All electric railways reported reduced traffic in 1933, and one—the Three Rivers Traction Company—ceased operation, according to the Report of Statistics of Electric Railways of Canada, issued by the Dominion Bureau of Statistics, October, 1934. The smaller railways showed the greatest rate of decrease, equal to 16.6 per cent. Railways carrying from 2 to 10 million passengers reported a decrease of 11.4 per cent., or 7,213,962 passengers. The large systems had a decrease of 8.4 per cent., or 47,653,541 from the 1932 traffic. Since 1929, when 833,496,866 passengers were carried, the decline had continued steadily until in 1933 the total fell to 585,385,094 passengers, approximately two-thirds of the peak. The rate of decrease, however, was diminishing. In 1931 the reduction from the previous year was 72,233,132 passengers, or 9.1 per cent.; in 1932 the reduction was 77,637,359, or 10.8 per cent.; in 1933 the reductiion was 57,445,908, or 8.9 per cent.

Gross revenues of all electric railways decreased from $43,339,381 in 1932 to $39,393,965 in 1933, or 9 per cent. Operating expenses were reduced in the same period from $31,516,943 to $27,917,265, or by $3,599,678. Of the 41 railways operated, 13 failed to earn operating expenses and only 4 companies paid dividends, 2 of which paid them largely out of revenues earned by other departments. In one case, that of Montreal Tramways operated at a cost of service arrangement with the City of Montreal, although dividends amounting to $612,500 were paid, an appropriation of $592,162 was made from reserves.

Total mileage of main track in operation Dec. 31, 1933, was 1,864.23, as against 1,873.35 in 1932. Car miles declined 5.3 per cent.; the number of motormen and conductors was reduced by 6.6 per cent., the total number of employees by 1,078, or 6.8 per cent.; and the pay was lowered from $21,534,419 to $18,692,236, a cut of 13.2 per cent. One employee was killed and no passengers; 32 other persons were killed, including 16 pedestrians and 13 motorists. There were 2,902 persons injured, among them being 1,385 passengers, 443 pedestrians, 351 motorists, 23 electric railway bus drivers, 131 conductors and motormen, 179 other employees, 76 persons riding in

other vehicles, and 314 other persons. The number of fatalities was the smallest since 1902, the number injured was the smallest for the previous twelve years, and the number of employees injured was the smallest since 1916. At the end of 1933 the capitalization was $200,098,870, consisting of $39,851,230 in stocks and $160,247,640 funded debt.

The Montreal Tramways Company operating under the supervision of the Montreal Tramways Commission, carried on tramways during the calendar year 1933, 176,342,540 revenue passengers, a decrease of 13,022,016 or 6.88 per cent. as compared with 1932. The Company carried on auto-buses, 19,798,563 revenue passengers in 1933, a decrease of 1,644,010 or 7.67 per cent. as compared with 1932. The gross revenue in 1933 amounted to $12,873,019 and the expenses were $8,900,275, leaving the net earnings at $3,972,744. After paying interest on bonds, etc., there was a net income of $617,517 out of which dividends of $612,500 were paid, and $5,017 added to the surplus of the Company. Every effort was made during the year to economize by careful purchasing, strict supervision of operating expenses and reduction of wages and salaries with the result that the operating expenses for 1933 were 9.99 per cent. less than those for the previous year. The Company, operating 319.28 miles of single track, added .55 miles in 1933 and reconstructed 3.14 miles. Officers of the Company were: Julian C. Smith, President; Kenneth B. Thornton, General Manager; Patrick Dubee, Secretary-Treasurer. The Chairman of the Montreal Tramways Commission, J. F. Saint-Cyr, died on Jan. 29, 1934; the other members of the Commission were John S. Archibald, Vice-Chairman, and Paul A. Béique, Commissioner. The Montreal Tramways Company was awarded by the American Transit Association a special certificate of merit for its contribution to the improvement of maintenance practices in the transportation industry.

The Toronto Transportation Commission operated street railway, island ferries and bus services for the owners, the City of Toronto. The Report for the calendar year 1933 stated that 147,582,487 passengers had been carried during that year: this was 14,040,815 less than those carried in 1932, or a decrease of 8.69 per cent. After four years continuous decline the number of passengers carried in 1933 was fifty-nine millions less than the number carried in 1929. The Commissioners were hopeful that the downward trend had ceased. The revenue for 1933 was $10,293,212, a decline of $950,573 for the year. Operation and maintenance cost $6,262,298 and fixed charges and reserves, $4,029,653, leaving a net income of $1,260. Measures of economy reduced operating expenses by $725,129, although rates for power were increased by the Hydro Commissions due, it was stated, to higher operating costs. Car mileage operated in 1933 by street cars and buses but excluding motor coaches, totalled 23,401,861 miles, a reduction of 4.4 per cent. from the previous year. As the income was not sufficient to provide the annual appropriation required for depreciation, the Commission transferred from accumulated reserves $301,767 for that purpose. At the end of 1933 the Commission owned 953 street cars, 95 electric service cars, 197 motor buses and coaches, 37 motor trucks and 10 motor snow plows and sanders. The Gray Coach Lines, Limited, operated by the Commission separate from the City services, reported gross income of $812,961 in 1933 as against $923,011 in 1932. The expenditures for operation and maintenance were $631,512 in the former year and $718,311 in the latter, leaving $181,449 available for reserves and dividends in 1933 as compared with $204,680 in 1932. During the year 1933 salaries of all employees, excepting those paid on an hourly basis who comprised 84 per cent. of the whole, were reduced from five to ten per cent. In March, 1934, the Commission proposed to reduce the pay of hourly workers by six per cent. or four cents an hour. A mass meeting of the men, held on Mar. 25, declared against accepting the proposal by a vote of 1,172 to 2. The employees applied to the Federal Government for the formation of a Board of Conciliation and Investigation under the Industrial Disputes Investigation Act. The Board as finally constituted was composed of Mr. Justice Kerwin of the Ontario Supreme Court, Chairman; C. H. Widdifield of York County, representing the Transportation Commission; and Fred Bancroft, representing the employees. On June 16 a Majority Report, presented

by Mr. Justice Kerwin and Mr. Widdifield with Mr. Bancroft dissenting, recommended a reduction of 3 cents an hour in platform employees' wages and a proportionate reduction in other employees' wages. The employees' representative recommended that the existing rates be continued. At a meeting of the employees they decided, by a vote of 1,174 to 4, to strike rather than accept the proposed reduction. On June 23 the Ontario Municipal Board intervened and called a conference of the interested parties. The Board proposed that the wage reduction be postponed for a month and that 75 platform employees laid off be restored. This was accepted and acted upon. On Aug. 14, after several hearings, the Board reported that the Transportation Commission had not substantiated its claim that a wage reduction was necessary and that any rate less than 60 cents an hour would be inadequate. The Transportation Commission on Aug. 16, 1934, decided to adopt the recommendations of the Municipal Board which was accepted on Aug. 18 by the employees.

A judicial investigation into land purchases by the Toronto Transportation Commission was held in July, 1934, by Judge Honeywell of York County Court pursuant to the request of the Toronto City Council based on charges made by S. McBride, City Comptroller, against the Chairman of the Transportation Commission (W. C. McBrien). After hearing the evidence the Judge reported, Sept. 12, 1934, that there was no basis for any assertion that the land purchases of the Commission were excessive or exorbitant. The officials were exonerated from any suspicion of wrong-doing or incompetence. As to the Chairman, Mr. McBrien, the Judge found that the purchase of land from him was in every respect open, fair and legal, that his relationship to the Commission was legal and proper in all respects and that he did not commit any violation of his oath of office in selling his lots to the Commission.

The Winnipeg Electric Company, operating Electric, Railway and Gas Utilities, reported that the railway earnings in the calendar year 1933 were substantially lower than those in 1932, the difference being about 9 per cent. There was approximately the same decrease in the number of passengers carried. As compared with the 1929 level there was a loss of 38 per cent. although the gross revenue in 1933 owing to increase in fares, was 28 per cent. below 1929.

As a result of the Company's application to the Provincial Government to be relieved from payment of the five per cent. gross railway earnings tax and paving and snow removal charges, the Legislature in 1933 authorized the Municipal and Public Utility Board to examine into the passenger transportation problem in greater Winnipeg and prepare a plan of street transportation for the area. Accordingly, a Report was prepared and presented and a Bill to make it effective was introduced into the Legislature by the Attorney-General on Mar. 19, 1934. This Bill provided for the segregation of the railway utilities of the Winnipeg Electric Co., the Winnipeg, Selkirk and Lake Winnipeg Railway Company and the Suburban Rapid Transit Company in a new Company, the shares to be held by the Winnipeg Electric Company as trustee for the bondholders and other secured creditors. A commission with supervisory powers was to be set up with a right of appeal to the Municipal and Public Utility Board. Had the Bill passed, the gross earnings tax, special assessments and pavings charges would have been wiped out. The Bill, however, was not enacted by the Legislature which directed instead that the Municipal and Public Utility Board make an exhaustive inquiry into the whole question of electric power production, distribution and ownership, and also its relation to mass transportation in greater Winnipeg.

Protracted negotiations between the Winnipeg Electric Company and its employees in the track, traffic and mechanical departments regarding rates of pay culminated in a threat to strike on Sept. 13, 1933. The Provincial Government intervened and appointed an Arbitration Commission consisting of Mr. Justice S. E. Richards of the Manitoba Court of Appeal, Chairman; Arnold Smith and E. G. Rogers, representing the Company; and J. Scott and A. E. Cook, representing the employees. Through the efforts of the Arbitration Commission a settlement was arrived at between the Company and its employees early in April, 1934. The new rate for motormen and conductors in 2-man service was fixed at 51 cents an hour or 16 per cent.

under peak wages. Wages of track and mechanical employees were reduced 15 per cent. from peak wages. These rates had been in effect since Aug. 16, 1933, since which date the amount in dispute had been placed in escrow with the Manitoba Municipal and Public Utility Board. Under the settlement the money held in escrow reverted to the Company. The claim of the employees to summer rates, 4 cents an hour higher than winter rates, from May 1 to Aug. 15, 1933, was allowed. It was agreed that after five years in the service an employee should be entitled to one week's holiday each year with pay. All runs were to conform as nearly as possible to a seven-hour day.

Decreased earnings were again reported by the British Columbia Electric Railway Company, Limited, serving the Cities of Vancouver, Victoria and New Westminster and adjoining municipalities with street railway transportation. Passengers carried for the year ended June 30, 1934, numbered 62,866,184 as compared with 63,190,419 in 1933; freight tonnage was 198,618 in 1934 and 218,776 tons in 1933.

Nova Scotia Light and Power Company, Limited, reported that during the calendar year 1933, the Halifax Tramway System carried 9,100,077 revenue passengers as compared with 10,167,995 in 1932. The average fare collected was 5.84 cents per revenue passenger, the lowest of any year since 1920. The total revenue in 1933 from the various departments of the Company, including tramways, light and power, gas and steam heat, was $1,747,755, a decline of $102,284 for the year and the total operating expenses were $1,015,545, a decrease of $106,868. The balance carried to surplus in 1933 was $346,001, an increase of $11,512.

Owing to reduced passenger traffic the Ottawa Electric Railway Company earned during the calendar year 1933 gross revenue of $1,281,036 as compared with $1,466,662 in 1932. Operating expenses (before deduction of depreciation and Dominion Income Tax) were $941,252 as against $1,009,375 in 1932. The return on capital investment was $188,502, leaving profit carried to surplus of $41,814 in 1933 and $31,830 in 1932. The Company and the City of Ottawa entered into an agreement under which the existing street railway fares were to be maintained for another five years.

In 1933, the Calgary Street Railway, municipally-owned and operated, had revenue amounting to $638,550 and expenditures, $695,542. The Electric Light Department contributed $44,100 reducing the actual deficit to $12,891 as against $28,755 in 1932. There were 10,781,399 passengers carried in 1933 and 12,028,866 in 1932. The Street Railway Department of the City of Edmonton reported in 1933 revenues of $677,655 and a surplus of $8,029 after deducting expenditures, as compared with a surplus of $1,043 in 1932.

In Regina the municipal street railway carried 3,794,676 passengers in 1933 as against 4,114,293 in 1932. The revenue received was $262,560 and the operating expenditure was $201,312; resulting in a total deficit of $94,860.

Motor Transportation and Highways During 1933

The total number of motor vehicle registrations in Canada in 1933 was 1,082,957 as compared with 1,114,503 in 1932. There was, therefore, a decrease of 31,546 or 2.8 per cent. in the total number of motor registrations. Saskatchewan showed the greatest rate of decrease, namely, 7.2 per cent. New Brunswick decreased 4.3 per cent.; Manitoba 4 per cent.; Quebec 3.4 per cent.; British Columbia 2.7 per cent.; Ontario 2.1 per cent.; Nova Scotia 1.7 per cent.; Yukon Territory 1.3 per cent.; Alberta .9 per cent.; and Prince Edward Island .6 per cent. The average number of persons per motor vehicle was 9.9 in 1933 and 9.4 in 1932. In the various Provinces the number of persons per motor vehicle was: Ontario, 6.8; British Columbia, 8; Alberta, 8.8; Manitoba, 10.5; Saskatchewan, 11.2; Prince Edward Island, 12.8; Nova Scotia, 12.9; New Brunswick, 15.6; Yukon Territory, 17.5; and Quebec, 18.6. About half the motor vehicles in Canada were in the Province of Ontario which headed the list

with 520,353 registrations. Quebec came next with 160,012; British Columbia had 88,554; Alberta, 86,110; Saskatchewan, 84,734; Manitoba, 68,740; Nova Scotia, 40,443; New Brunswick, 26,842; Prince Edward Island, 6,940; and the Yukon Territory, 229.

The revenues collected by the Provinces from registrations of motor vehicles, operators, taxes, etc., in 1933 amounted to $20,576,392 or $549,879 less than in 1932. The scale of fees remained practically unchanged, except in the case of Ontario where larger revenues were derived mainly from commercial vehicles and trailers. The receipts from the gasolene tax amounted in all Provinces to $26,467,765 or $615,581 less than the total for 1932. No changes were made in the gasolene tax in 1933 except in the case of Prince Edward Island which increased the tax from 6 to 8 cents a gallon and Alberta from 5 to 6 cents a gallon. The actual decreases in the revenue from gasolene tax were as follows: Ontario, $658,178 or 4.9 per cent.; Quebec, $297,408 or 5.7 per cent.; Nova Scotia, $24,210; Saskatchewan, $38,962; and British Columbia, $30,108. Other Provinces had increases as follows: Alberta, $188,013 or 12.1 per cent.; Manitoba, $129,340 or 8.5 per cent.; New Brunswick, $83,529 or 10.7 per cent.; Prince Edward Island, $32,433 or 24.2 per cent. The aggregate revenue from registrations and gasolene tax was $47,044,157, being $1,165,430 less than that of 1932. Total gross sales of gasolene amounted to 484,324,000 gallons, a decrease of 16,714,000 gallons for the year or 3.3 per cent.

There were 955 deaths reported from motor vehicle accidents in 1933, and 1,120 deaths in 1932, an improvement of 165 for the former year. As the greatest decreases were in November and December it is probable that they were due to the early and severe Winter rather than to better driving. The number of deaths follow very closely the quantity of gasolene consumed and density of traffic had a greater effect than icy and difficult driving conditions. In Ontario 74 per cent. of fatal accidents occurred on roads with dry surfaces. Percentages of deaths per 10,000 registered vehicles were 8.82 for the Dominion: 2.88 for Prince Edward Island; 3.78 for Saskatchewan; 5.55 for Manitoba; 7.43 for Alberta; 8. for Ontario; 8.20 for New Brunswick; 8.81 for British Columbia; 11.62 for Nova Scotia; and 16. for Quebec. Cities reporting the largest number of fatal accidents were Montreal, 104; Toronto, 65; Vancouver, 28; and Ottawa, 25.

At the end of 1933 there were 95,955 miles of surfaced roads in Canada as against 91,845 in 1932. The total of all roads in Canada was 409,124 miles in 1933 and 399,094 miles in 1932. By Provinces the mileage open for traffic in 1933 was: Prince Edward Island, 3,651; Nova Scotia, 14,742; New Brunswick, 11,825; Quebec, 35,098; Southern Ontario, 55,253; Northern Ontario, 15,287; Manitoba, 34,375; Saskatchewan, 155,731; Alberta, 62,834; British Columbia, 22,328. Classified according to the type of road the figures for Canada were: unimproved earth, 138,636 miles; improved earth and sand clay, 175,767; gravel-crushed stone (loose), 83,204; oil-treated gravel, 3,491; waterbound macadam, 2,579; bituminous macadam, 2,258; bituminous concrete, 873; cement concrete, 2,160; other surfaces, 156.

The capital expenditures for 1933 were $23,854,579 including Dominion subsidies as against $50,031,509 in 1932. Maintenance expenses were reduced from $21,461,337 in 1932 to $16,650,475 in 1933, including $15,381,175 for roads and $1,269,300 for bridges and ferries. The total Provincial highway debt outstanding at the close of 1933 was $438,118,659 on which the annual carrying charges amounted to $23,768,656.

The Dominion Bureau of Statistics compiled a comprehensive Report, issued Sept. 24, 1934, on the Highway and Motor Vehicle in Canada 1933 upon which the above information is based.

The Twentieth Annual Convention of the Canadian Good Roads Association was held in Hamilton, Ontario, Sept. 13-14, 1933. A comprehensive programme of lectures and papers concerning motor transportation and highways was presented and thanks were recorded for the information and valuable

material submitted. For the encouragement of Tourist traffic the Association urged Governments to have all historic and interesting places suitably marked. The Association went on record as favouring public contests for the beautification of all highways; approving of the adoption of uniform traffic, danger and direction signs, which should be placed in standardized positions; urging all the members to make every effort to secure the co-operation of all transportation interests for the solution of the problem of transportation, and to make the effort a feature of the next Inter-Provincial Conference.

At the Twenty-First Annual Meeting of the same Association held at Murray Bay, Que. on Sept. 11-13, 1934, a resolution was adopted urging the construction of the Trans-Canada Highway as soon as necessary funds were made available. The Association recommended the placing of side-walks or footpaths along highways in congested areas in the interest of safety. Provincial Governments were urged to provide funds to carry out reasonable and adequate upkeep of existing roads, to protect the great capital investment in the highways. It was decided to memoralize the Federal Government to re-establish the fund for the elimination of grade crossings. Provincial and Municipal authorities were again urged to undertake a series of beautification contests. The officers elected for the ensuing year were: Honorary President, the Hon. J. E. Perrault, K.C.; President, the Hon. G. Shelton Sharp; First Vice-President, the Hon. A. S. MacMillan; Second Vice-President, the Hon. Frank M. MacPherson; Third Vice-President, the Hon. T. B. McQuesten; and Secretary-Treasurer, George A. McNamee, Montreal.

At the Second Annual Meeting of the Canadian Association of Tourist and Publicity Bureaux, held in Quebec City, Jan. 23, 1934, the Association went on record as favouring the licensing by the Provinces of all places engaged in providing tourist accommodation. It was resolved that a tax on radio-equipped motor vehicles visiting Canada would be detrimental to the tourist business. The proposal for an annual Maple Leaf week in the Autumn season was endorsed. The Dominion Government was urged to carry on a publicity campaign to make the tourist attraction of Canada better known abroad. Among the officers elected were: the Hon. J. E. Perrault, Honorary President; C. C. Hele, President; and George A. McNamee, Secretary-Treasurer, Montreal.

The Third Annual Meeting of the Association of Tourist and Publicity Bureau held at Ottawa, Nov. 5, 1934, was presided over by Lieut.-Col. G. F. C. Poussette, First Vice-President, in the absence of the President. A report of the deputation which presented the request of the Association to the Dominion Government on the subject of a national tourist publicity campaign was received. The Association was advised that the Prime Minister, the Rt. Hon. R. B. Bennett, could not then accede to the request, but would have it in mind for the future. The Association expressed appreciation of the action of the Dominion Government in adopting the recommendations of the Senate Committee on Tourist matters, and in the creation of the Canadian Travel Bureau. Lieut.-Col. G. F. C. Poussette was elected President for the ensuing year; First Vice-President, D. Leo Dolan; Second Vice-President, Charles H. Webster; Third Vice-President, A. Bergeron; Fourth Vice-President, J. O. Hambleton; and Secretary-Treasurer, George A. McNamee, Montreal.

The Canadian National Safety League held its Annual Meeting in Toronto Feb. 28, 1934, the Hon. Leopold Macaulay presiding. The General Manager, J. F. H. Wyse, reported increasing interest in the work of the organization during the fifteenth year of its operations. Besides the regular bulletin service, safety literature had been circulated and some 15,000 pieces of safety material supplied. Various Provinces reported active and helpful work in accident prevention. Col. the Hon. Henry Cockshutt, LL.D., was chosen President for the ensuing year.

In response to invitations issued by the Dominion Minister of Railways and Canals, Dr. Manion, delegates from all the various Provinces met at Ottawa, Dec. 14, 1933, with representatives of the Dominion, to consider

matters concerning commercial motor vehicle transportation. Dr. Manion presided and George W. Yates was appointed Secretary. After discussion, resolutions were adopted declaring: (1) that schedules of rates and charges of common carriers should be published, subject to such legislation as might be enacted in each Province; (2) that within the published schedules of rates common carriers of freight should accept and carry what was offered to them, without undue discrimination between customers; (3) that common carriers of persons and property should be suitably insured; (4) that common carrier operators should keep accounts and should render returns to appropriate public authority as and when required; (5) that legislation should be enacted limiting the mileage or hours of labour of operators of passenger vehicles; (6) that a standard of fitness should be required of all public vehicles used in the transportation of passengers; (7) that operators of public passenger vehicles should require a medical certificate of fitness to operate such vehicles; (8) that a licence should only be granted to common carriers of passengers and freight where it could be proved to the satisfaction of the licensing authority that the service proposed to be rendered was in the public interest; and (9) that a Dominion-Provincial conference to discuss transportation matters should be held at least once a year.

The Canadian Automobile Association, the federal organization of the motor leagues of all the different Provinces, held its 21st Annual Meeting in Toronto, Aug. 27, 1934, when Richard A. Stapells, Toronto, was elected President. W. G. Robertson was re-elected Secretary-Treasurer, a position he had held ever since the organization of the association, 21 years before. The Association re-dedicated itself to the completion of the Trans-Canada Highway and the unification of traffic regulations throughout the Dominion. An impressive tribute was paid to the memory of Dr. P. E. Doolittle, President from 1920 until his death in December, 1933.

Representatives of Ontario and Quebec met in conference at Montreal, Dec. 11, 1934, to plan a definite arrangement for the motor trucking business. The announcement was made that it was agreed that there should be full reciprocity between the two Provinces, details to be decided at a joint meeting of the Quebec Public Service Commission and the Ontario Municipal Board.

Canadian Harbour Affairs in 1933-34

The Harbour Commissioners of Montreal reported that 1933 was noteworthy for both favourable and unfavourable features. The unfavourable features were: (1) lowest water levels for many years; (2) unusually severe weather conditions in November and early December; (3) smallest grain export for fourteen years; and (4) unsettled and unprofitable ocean freight rates, and a decline in passenger business. On the other hand, encouraging features were reported as follows: (1) an increase of approximately 200 in the number of ocean vessel arrivals; (2) a new high figure for imports, and a substantial increase in tonnage of domestic merchandise; (3) the heaviest import movement of coal and oil in the history of the Port; and (4) the establishment of three new ocean lines trading to the Port. Summing up the situation the Commissioners were of the opinion that notwithstanding the unsatisfactory state of the water levels and the difficulties of the severe and early Winter, the business of the Port and of the Harbour Commissioners would have been eminently satisfactory if the export grain movement from Montreal had been maintained on a level even approaching that of the previous year. All classes of vessels trading to the Port of Montreal made substantial increases over the previous year's record. Trans-Atlantic shipping was the third from the highest total in the Port's history with 1,061 ships having a net registered tonnage of 3,822,586 tons. The number of coasting vessels, 415, was the highest yet recorded although the registered tonnage, 724,092, had previously been exceeded. Inland ships increased from 4,094 in 1932 to 4,413 in 1933. The number of passenger liners was larger than in 1932 although several vessels made Quebec their Western terminus instead of Montreal, owing to early

severe weather. The total number of ocean-going vessels in 1933 was 1,476, and their net registered tonnage, 4,546,678, as against 1,274 vessels and 4,250,426 tons in 1932. The change during the previous few years of the character of the business of the Port of Montreal was clearly demonstrated in 1933 when grain exports were only 1,661,628 tons or approximately one-third of the figure for 1924, whereas other commodities amounted to 8,903,780 or twice the total of 1924. The total tonnage of merchandise handled in 1933 was 10,565,408 tons as against 10,745,338 in 1932. Approximately 600 import commodities and 400 export commodities were handled in Montreal Port each season. Two commodities, coal and oil, represented almost half of the entire cargo tonnage for the year. Total coal receipts were 3,020,062 tons, an increase of 378,014. Canadian bituminous from Nova Scotia increased by 231,599 tons and British anthracite increased by 222,243 tons. The latter amounted to 1,306,646 tons, the highest figure in the Port's history. Imports of oil and gasolene also reached a new high record, with 1,822,342 tons, an increase of 250,473 over 1932. Altogether the imports of coal and oil, 4,842,404 tons represented 46 per cent. of the Port's merchandise tonnage. Exports of grain consisted of 65,435,618 bushels, a decrease of 47,457,982 or 42 per cent. for the year. The shrinkage in the grain movement was widespread, exports from New York dropping to 20,764,394 bushels, of which 19,991,985 bushels were Canadian grain.

Rail-borne grain amounted only to 1,826 cars, the lowest number on record. Over 1,600 cars of cattle were handled, an increase of 1,000 cars over the previous year. Over 1,200 cars of export freight were diverted from the Port owing to the unusually early arrival of Winter, and from the same cause the handling of a large number of cars of import freight was lost.

Income of the Port on revenue account amounted to $3,874,445 in 1933, which was a decrease of $533,051 from the previous year and the smallest revenue since 1923. Practically the entire decrease was accounted for by the reduction in the income from the grain elevator system amounting to $476,212. Expenditure on revenue account, including $2,195,843 for operation, maintenance, repair and general expense; $2,498,573, interest on Government debentures; $577,920, sinking fund reserve; and $10,000 reserved for bad debts, amounted in all to $5,282,361. The personnel of the Harbour Commission, which remained unchanged, was as follows: John C. Newman, President; H. J. Trihey and Alphonse Raymond, Harbour Commissioners.

The Port of Vancouver was entered in 1933 by 15,777 vessels, having a net tonnage of 10,897,302 tons; for 1932 the corresponding figures were 15,981 vessels, 11,082,982 tons. Passengers arriving by deep sea vessels numbered 6,751 and by coastwise steamers, 328,629, making a total of 335,380, an increase of 4,444 over 1932. There were also 3,655,594 ferry passengers handled, as compared with 3,860,391 in 1932. Total water-borne imports amounted to 2,717,311 tons, a decrease as compared with 2,862,765 tons in the previous year. Commodities imported remained about the same as in 1932 with the exception of increased receipts of tin-plate from the United Kingdom, nut and vegetable oils from Australia and China and fresh pears from Australia. Water-borne exports amounted in 1933 to 3,387,534 tons as against 4,263,090 tons in 1932. Grain exports decreased from 105,006,925 bushels in 1932 to 68,828,024 bushels. Flour exports reached 1,271,127 barrels, showing a betterment of 195,366 barrels or 18 per cent. over 1932. The total exports of lumber and logs were 272,224,223 feet b.m. in 1933 as compared with 213,573,796 in 1932. There was also an export of 55,433½ tons of pulp and paper, an increase of 13,224½ tons over 1932. Canned fish exports reached 1,170,412 cases, an increase of 237,744 cases over 1932. Besides this, 29,094 tons of fish were exported, an increase of 4,441 tons. A total of 160,439 barrels of apples was exported as compared with 132,323 barrels in 1932. These shipments included 10,394 barrels destined for the Argentine and Brazil, a new movement. During the year the 300 foot extension to Lapointe Pier was completed, additional trackage for 240 cars was added to the terminal railway, and 7 new storage tanks for handling vegetable and nut oils and molasses

were installed. The Commission administering the port consisted of S. McClay, President; J. B. Thomson and R. D. Williams, Commissioners.

The Halifax Harbour Commission reported that during 1933 the total number of vessels entering and departing from the Port was 5,895; in 1932 the number was 5,839. The total cargo tonnage showed an increase from 1,458,083 tons in 1932 to 1,751,028 tons in 1933. These figures include 2,703 vessels using the Commissioners' Piers with a cargo tonnage of 853,053. The increase in the business of the Commissioners' Piers was 174,226 cargo tons or 25 per cent. In regard to commodities handled, the greatest change was in the agricultural group which jumped from 263,693 tons in 1932 to 413,914 tons in 1933. Grain received and shipped amounted to 5,559,164 bushels in 1933 as compared with 4,257,500 bushels in 1932 and 2,350,979 bushels in 1931. The business of the Commission showed an operating profit for 1933 of $7,682, after setting aside $52,064 for contingencies; revenue $342,280; expenditure $334,397. At the close of 1933 the Commission was composed of: J. L. Hetherington, President; E. P. Merchant, and O. P. Goucher. E. C. Phinney, K.C., President for three years, retired owing to pressure of professional business on Nov. 30, 1933.

Saint John Harbour Commission reported that with the completion late in 1933 of the new works which had been under construction since 1928 the Port at West Saint John could handle shipping as economically as any other port on the Atlantic Coast. The number of vessels arriving in the Port of Saint John in 1932-33 was 1,976 and their tonnage 2,216,054 as compared with 2,197 vessels in 1931-32, representing 2,060,774 tons. Outgoing vessels numbered 1,974 with 2,191,660 tonnage in 1932-33, as compared with 2,206 vessels in 1931-32 with 2,084,065 tons register. Continued gradual increase in both imports and exports indicated the beginning of recovery from the depression. In the exports practically all commodities showed increases, notably automobiles and accessories, copper matte, cattle, lumber and wood pulp. Grain exports were 300,000 bushels over the previous year. Among the imports the outstanding increases were in coal, fertilizer, gasolene and fuel oil. Rock dredging at the entrance channel was practically completed. The channel from the entrance at Partridge Island into the Port was straight with a depth of 30 feet and a width of 300 feet. The Commission administering the Port of Saint John was as follows: H. C. Schofield, President; Frank T. Lewis and Thomas Nagle, Commissioners.

Shipping activities at the Port of Quebec during 1933 showed a marked improvement over the preceding four years, according to the Harbour Commissioners' Report. Vessels arriving from the sea, Montreal, and the Great Lakes, numbered 1,063 in 1933 as compared with 800 in 1932, an increase of 263. Total tonnage in 1933 was 5,552,610 gross tons, and in 1932 it was 5,193,655, an increase of 358,955 gross tons. Cars handled by the railway traffic department numbered 16,599 in 1933 and 14,170 in 1932, an increase of 2,420. The grain elevator received 16,792,659 bushels in 1933, an increase of 12,469,069 bushels over 1932. Grain delivered in 1933 amounted to 16,716,535 bushels, an increase of 11,692,900 bushels for the year. At the end of 1933 there remained in the elevator 2,285,442 bushels as compared with 2,552,296 bushels at the end of 1932. Increases were shown in both imports and exports. In 1933 the imports reached 965,809 tons, an increase of 362,830 tons over 1932. Exports aggregated 630,353 tons in 1933, an increase of 425,389 tons. There were 3,067 immigrants landed in 1933 and 2,551 in 1932. The North Traverse Channel was officially opened on Sept. 29, 1933, with a width of 500 feet and a depth of 32½ feet at low tide; the ultimate objective being one thousand feet width and 35 feet depth at low water. Operating receipts of the Harbour Commissioners amounted to $687,816 leaving a surplus of $17,049 after providing for operating expenditures, etc. The Quebec Harbour Commission consisted of J. S. O'Meara, Chairman; and Pierre Bertrand and Dr. J. LeBlond, Commissioners.

Toronto Harbour received 2,428 vessels in 1933 with a net tonnage of 2,922,859 tons as compared with 2,310 vessels in 1932 with a net tonnage of

2,678,131 tons. Vessels entering, classed as international, numbered 819 in 1933 with a registered tonnage of 1,375,750 as against 400 in 1932 with a registered tonnage of 899,223. There was, however, a decrease in the coastwise shipping from 1,910 vessels in 1932 to 1,609 in 1933, the registered tonnage in the former year being 1,778,908 tons and in the latter year, 1,547,109 tons. To the completed improvements in the Harbour, combined with the new Welland Canal, was attributed the continued increase in the water-borne trade of the Toronto Harbour. Several cargoes of vegetable oil aggregating 11,763 tons, constituted a new water-borne commodity at Toronto. In all 31 small cargo freighters, totalling 26,286 tons, came direct to Toronto from eleven different European and Pacific Ports. Cargo tonnage (inward) reached 2,344,020 tons in 1933 as compared with 2,120,851 tons in 1932. Receipts of crude oil decreased from 345,795 tons in 1932 to 277,232 tons in 1933, and gasolene increased from 207,703 tons to 218,243 tons. Grain rose from 136,253 tons to 170,509 tons. Coal and coke totalled 1,325,767 tons, an increase of 262,773 tons distributed as follows: Welsh anthracite, 31 per cent.; Nova Scotia coal, 40 per cent.; and United States bituminous coal, 45 per cent. On the other hand there were decreases of: 7 per cent., Scotch anthracite; 83 per cent., United States anthracite; and 9 per cent., United States coke. Vessel registrations numbered 521 of which 215 were sailing vessels. The industrial development of the properties administered by the Harbour Commission resulted in the location of 87 industries representing a total investment of $38,000,000. The Harbour Board consisted of: J. E. Ganong, Chairman; George W. Porter, P. J. Mulqueen, B. J. Miller and Thomas Rennie; with Brig.-General J. G. Langton, General Manager and Secretary.

It was announced by the Hon. R. J. Manion, Minister of Railways and Canals, in the House of Commons on Feb. 23, 1934, that work on the Hudson Bay Railway was about completed, and that $550,000 was required for terminals and betterments at Port Churchill. The total cost of the undertaking, including the outlay at Nelson, was placed at approximately $53,000,000. Loss on the operation of the Railway was $163,000 for the year but the Minister predicted an early improvement. Shipping movements at the Port consisted of ten vessels in 1932 and eleven vessels in 1933. The total wheat export in 1933 was 2,500,000 bushels, about the same as in the previous year. The Minister pointed out that the outlook was improved by the fact that the Government of Saskatchewan was assisting the route, and that shipping agencies were becoming actively interested. A Press dispatch in September, 1934, from Churchill stated that the trade of the Port was increasing and the officials were hopeful that twenty vessels would enter the Port before the end of the season. Shipments of cattle had proven disappointing because many vessels arriving were not equipped to carry cattle. Shipments of grain for the season of 1934 were estimated at 4,000,000 bushels. Reuters' Canadian representative who visited Churchill, admittedly in a skeptical mood, returned with glowing accounts, stating in an interview that "the future looks very bright for Churchill." The Marine Insurance rates for the Churchill route had been much discussed and held responsible for retarding the development of the Port. On this subject the Imperial Shipping Committee in its fifth report stated that the evidence gathered tended strongly in the direction of the view that during the open season of navigation for a well-found vessel the risk of casualty was little, if any, greater on the Hudson Bay route than on the St. Lawrence to Montreal. Having in mind the experience obtained and the improvement of conditions, the Joint Hull Committee had recommended a reduction of 10 shillings per cent. on the insured value in the rates of additional premium to be charged for the suspension of warranty on the Hudson Bay route; the reduction to be in respect of vessels fitted with a gyro compass. The view was advanced that if a considerable number of vessels visited Churchill during 1934, and there was no serious loss, the Joint Hull Committee would be prepared to give favourable consideration to a further reduction in the rates of premium.

Canada's imports from overseas countries *via* the United States, especially those from the United Kingdom, had shown a steady decline during the pre-

ceding years. The figure for the fiscal year ended Mar. 31, 1934, according to the condensed Preliminary Report on the Trade of Canada, was $3,626,717, an increase for the year of $561,560. In 1930, however, the imports *via* the United States were $9,849,889, or 2.46 per cent. of the total imports from overseas countries. In 1934 the proportion of imports *via* the United States was 1.85 per cent. Exports *via* the United States in the fiscal year 1934 were valued at $55,470,998 or 14.41 per cent. of the exports to overseas countries. This was an increase of $8,382,888 over 1932 when the proportion was 14.18 per cent. In 1930, however, the exports *via* the United States were $205,163,730 or 33.90 per cent. of all the exports to overseas countries. Exports to the United Kingdom *via* the United States in 1933-34 had a value of $30,674,215 or 13.48 per cent. of the whole, whereas the proportion shipped *via* the United States in 1932-33 was $29,611,608 or 14.18 per cent. and in 1930 the total was $113,333,242 or 40.22 per cent. of the total exports to overseas countries. When allowance was made for the re-routing of 6,882,000 bushels of Canadian grain from United States ports for ocean shipment at Canadian sea ports, the proportion of Canada's exports to overseas countries *via* the United States was considerably decreased and that of Canadian ports increased by a similar amount.

Canada's Canals in 1933 and 1934. Statistics of Canada's canals for the calendar year 1933, as compiled by the Dominion Bureau of Statistics, give particulars of each of the ten canals separately. The report points out that when the figures are grouped together for the purpose of comparison, there is necessarily much duplication as vessels and cargoes passing through two or more canals to or from the ocean are reported from each canal system. For instance, a large percentage of upbound traffic through the St. Lawrence canals uses the Welland and the Sault Ste. Marie canals and the same is true of the down traffic. Altogether there was a substantial increase in 1933 over 1932. The freight passing through the Canadian canals in 1933 amounted to 18,780,489 tons, an increase of 819,839 tons over 1932. The number of vessels increased from 21,915 in 1932 to 23,564 in 1933, an increase of 1,649. Canada's proportion of the traffic showed, however, a slight decrease. In 1933 of the total tonnage 67.76 per cent. originated in Canada and 32.24 per cent. in the United States. The corresponding figures for 1932 were, Canada, 73.73 per cent.; United States, 26.27 per cent. Canadian vessels carried 87.35 per cent. of the traffic in 1933 as compared with 88.23 per cent. in 1932; United States vessels carrying 12.65 per cent. and 11.77 per cent., respectively. Grain rates on the Great Lakes were the lowest for years. Wheat was carried from Fort William-Port Arthur to Montreal at an average of 3.79 cents a bushel as against averages of 8.39 cents in 1928 and 11.64 cents in 1920. Averages to Kingston, Prescott, Toronto, Buffalo and Port Colborne were correspondingly low.

The total traffic through the locks at Sault St. Marie on both sides of the River was substantially heavier, amounting in 1933 to 40,303,398 tons as against 20,484,169 tons in 1932. The restoration of the iron ore traffic accounts for the increase. The Canadian lock was used by only 5.6 per cent. of the traffic, or 2,269,957 tons, which was 67,244 tons less than the previous year.

Traffic on the Welland Canal created a new high record in 1933, the total being 9,194,130 tons of freight, an increase of 656,670 tons. Grains, except flaxseed, had a total decrease of 586,536 tons. Nearly half of the decrease in wheat shipments was in United States wheat. There was a decline of 9,547,600 bushels of Canadian wheat, 1,594,292 bushels of Canadian barley and 19,000 bushels of Canadian oats transhipped from Buffalo and other United States points down the canal to Montreal and other Canadian ports. There was very little movement of Canadian grain out of Buffalo to Montreal after May. Shipments of flour increased by 125,303 tons. All other commodities except petroleum and oils, sugar, lumber, timber, anthracite coal and sand recorded increases; bituminous coal being heavier by 515,833 tons and iron ore by 119,734 tons.

Grain Down-Bound Through The Welland Ship Canal, 1933

	Wheat Bushels	Barley Bushels	Oats Bushels	Rye Bushels	Flax Bushels	Corn Bushels	Total Bushels
Canadian Grain—							
From U.S. Ports to Can. Ports–							
In Can. boats	4,769,533	.....	.....	.....	.....	.....	4,769,533
In U.S. boats	145,900	.....	.....	.....	.....	.....	145,900
From Can. Ports to U.S. Ports–							
In Can. boats	168,700	.....	.....	.....	.....	.....	168,700
In U.S. boats	113,000	.....	.....	.....	.....	.....	113,000
From U.S. Ports to U.S. Ports–							
In U.S. boats	112,000	.....	.....	.....	.....	.....	112,000
From Can. to Can. Ports–							
In Can. boats	87,082,334	2,876,375	4,415,941	111,821	357,643	50,000	94,894,114
United States Grain—							
From U.S. Ports to Can. Ports–							
In Can. boats	.....	.....	.....	.....	.....	1,785,750	1,785,750
In U.S. boats	.....	.....	.....	.....	.....	46,500	46,500
From U.S. Ports to U.S. Ports–							
In Can. boats	.....	.....	.....	.....	.....	.....	.....
In U.S. boats	544,233	.....	770,588	.....	.....	6,295,142	7,609,963
From Can. to Can. Ports–							
In Can. boats	84,500	.....	.....	.....	.....	147,321	231,821
From Can. Ports to U.S. Ports–							
In U.S. boats	.....	.....	.....	.....	.....	.....	.....
Total grain	93,020,200	2,876,375	5,186,529	111,821	357,643	8,324,713	109,877,281
Can. grain in U.S. boats	370,900	.....	.....	.....	.....	.....	370,900
U.S. grain in Can. boats	84,500	.....	.....	.....	.....	1,933,071	2,017,571

The total freight traffic of the St. Lawrence canals in 1933 was 6,951,064 tons, an increase of 257,264 tons over the preceding year. During the 1933 season an exceptionally heavy movement of freight between the Great Lakes and European and Atlantic ports passed through the St. Lawrence Canals without breaking bulk. This included to Canadian lake ports, 9 cargoes of coal from Wales, 15 cargoes of miscellaneous freight from the United Kingdom, and European countries, 2 from Newfoundland, 1 from a United States Atlantic port, 26 from Canadian Atlantic ports and 2 from Vancouver. There were also to United States ports, 76 cargoes from Europe, 1 from Newfoundland, 3 from Cuba, 20 from United States Atlantic ports, and 34 from Canadian Atlantic ports. Altogether 189 cargoes of 364,132 tons of freight passed inland from ocean ports. The outbound cargoes numbered 120 with 158,737 tons of freight of which 56 cargoes with 82,163 tons were from Canadian ports and 64 cargoes of 76,574 tons were from United States ports.

Freight tonnage of the other canals in 1933 showed the following increases: Murray Canal, 2,310 tons; Ottawa, 241 tons; Trent, 1,152 tons. These were offset by the following decreases: Chambly, 2,438 tons; St. Pierre, 9,039 tons; Rideau, 3,822 tons, and St. Andrew's, 15,831 tons.

1934 Canal Traffic. The total traffic on all Canadian canals for the season of 1934 amounted to 18,071,238 tons, or 709,251 tons less than in 1933. Although the freight through the Sault Ste. Marie locks increased, a smaller percentage used the Canadian lock causing a decrease of 541,549 tons. The St. Lawrence, Rideau, Trent and St. Andrew's canals also showed decreases, which more than offset the gains made by the other canals.

During the season 42,248,812 tons of freight passed through the Sault Ste. Marie locks. This was an increase over the 1933 traffic of 1,945,414 tons. Iron ore was heavier by 719,274 tons, increasing from 22,226,025 tons to 22,945,299 tons, and bituminous coal increased from 7,958,524 tons to 10,148,747

tons, or by 2,190,223 tons. Shipments of wheat declined from 198,722,803 bushels to 173,034,611 bushels, or by 25,688,192 bushels, or 770,645 tons. Other grains increased from 40,145,576 bushels to 46,499,810 bushels and flour decreased by 956,203 barrels.

The traffic using the Welland Ship Canal during the season of navigation in 1934 created a new high record at 9,281,182 tons, exceeding the previous record made in 1933 by 87,052 tons. This record was made despite a very light movement of wheat and flour. Wheat shipments amounted to only 1,787,288 tons, or 59,576,266 bushels, as against 94,438,066 bushels in 1933. This decrease of 34,861,800 bushels of wheat was due to several factors: there was a decrease of 25,688,192 bushels down the Sault Ste. Marie canals, of which Canadian wheat accounted for 7,705,753 bushels; also, shipments of Canadian wheat to Buffalo and other Lake Erie ports were greater than in 1933 by 12,209,341 bushels and United States wheat down the Welland Ship Canal decreased by 181,566 bushels. The decrease in flour amounted to 87,802 tons. Corn also decreased by 34,708 tons, but all other grains showed increases, barley being up by 113,517 tons and rye by 100,430 tons. Bituminous coal increased by 387,091 tons, coke by 116,943 tons, iron ore by 356,123 tons, pulpwood by 152,114 tons, gasolene by 98,052 tons and iron and steel by 56,913 tons.

Due mainly to light shipments of wheat, the total traffic using the St. Lawrence Canals during the season of 1934 was 291,012 tons less than in 1933, declining from 6,951,064 tons to 6,660,052 tons. The decrease in wheat amounted to 1,087,379 tons, or 36,245,966 bushels. Flour was down by 62,277 tons and paper by 13,026 tons. Pulpwood increased by 197,691 tons, bituminous coal by 236,268 tons, gasolene by 77,354 tons, petroleum and other oils by 61,484 tons, barley by 120,251 tons, corn by 10,740 tons, oats by 53,748 tons and rye by 94,766 tons.

Canadian Hydrographic Service. Extensive operations were carried out by the Canadian Hydrographic Service under the Department of Marine, Ottawa, for the fiscal year ended Mar. 31, 1934. In the Atlantic Coast and Great Lakes District, the C.G.S. *Acadia* charted 850 square miles, and completed the surveys of a number of harbours on the North shore of the Gulf of St. Lawrence from Natashquan Harbour westward to the Mingan islands; C.G.S. *Cartier* was employed part of the season in tidal investigation of the lower St. Lawrence and in a charting survey of the Magdalen Islands. The *Cartier* sounded 1,151 linear miles. In Hudson Strait, charting work was conducted along the North shore for 75 miles on the Baffin Island Coast by means of motor launches. The Hudson Strait party charted 787 square miles of territory, made tidal observations and located harbours of refuge. On the Saint John River the programme of charting was completed to the City of Fredericton. In the upper St. Lawrence River the motor launch *Boulton* carried out examinations and triangulations in the neighbourhood of the Traverses and on the Saguenay. On Lake Winnipeg charting of the steamboat route to the mining districts was continued. In the Western Arctic, the motor schooner *Pilot* sailed to the mouth of the Mackenzie, where approaches to the Eastern outlet were surveyed and a harbour located and charted. On the Pacific Coast the *Wm. J. Stewart* charted an area of 590 miles on the West Coast of Vancouver Island and in Juan de Fuca Strait, assisted by the auxiliary houseboat *Pender* which surveyed 563 miles of the coast. During 1933 the Division of Precise Water Levels maintained automatic self-registering water level guages at 43 locations on the Great Lakes and the St. Lawrence River from Port Arthur to Quebec from which 489 months of continuous records were obtained. Eleven principal tidal stations (6 on the Atlantic and 5 on the Pacific Coast) were maintained and operated by the Tidal and Current Division. Seasonal tidal stations were operated in various places on both coasts and special tidal data were obtained in Baffinland, the Mackenzie delta and Hudson Bay. The tidal staff carried on investigations

of the currents of the lower St. Lawrence, in conjunction with the steamer *Cartier*.

Canadian Shipping in 1933-34. A hopeful survey of the shipping industry was made by J. W. Nicoll, President of the Shipping Federation of Canada, at the Annual Meeting in Montreal on Feb. 14, 1934. During 1933 there had been a gradual improvement in shipping operations to and from eastern Canadian ports, especially in the closing months. Indications pointed, Mr. Nicoll stated, to early progress towards the time when shipowners would again be able to carry on profitably. Due, however, in a large measure, to trade barriers between nations, the demand for ship tonnage all over the world was well below the supply. Recent developments, he added, indicated a modification of the difficult conditions. "I am hopeful," he said, "that we have seen the worst and that we can look forward with reasonable confidence to decided improvement in the shipping industry, and, particularly, in that section of it which finds employment in the Canadian trade." He pointed out that while the import movement of coal and oil had been gratifyingly heavy, the export movement of grain was disappointing. In consequence of this situation transient tonnage employed in the carriage of coal and other bulk commodities from abroad found it difficult to secure return cargoes of grain and in some cases had to sail light from this side. Shipping continued to be faced with an abnormally low level of freight rates. A further heavy decrease in trans-Atlantic passenger travel was recorded in 1933. With practically no immigration into Canada the task of operating passenger liners in the Canadian trade was difficult and costly. Yet a splendid service had been furnished for the travelling public, which was a demonstration of faith in the ultimate development of this trade.

While further progress had been made in the deepening of the St. Lawrence Ship Canal to 35 feet during 1933, Mr. Nicoll said that the Executive of the Federation had continued to impress on the Federal Government the importance of its early completion—the dimensions of the large vessels trading to the St. Lawrence made the 35-foot channel not only a future but an immediate necessity. For many years, also, the Executive had been urging the need of a careful study of water levels in the St. Lawrence in order that an adequate level might be maintained throughout the entire season of navigation. From August till the close of navigation the level of water in the Channel and Harbour at Montreal fell steadily until, on Nov. 13, the Harbour recorded a navigable depth of 26 ft. 10 in. On that day the maximum loaded draft of an ocean-going vessel was restricted to 24 ft. 4 in. In response to the representations of the Executive, assurance had been received from the Dominion Prime Minister and the Minister of Marine that the situation would be studied immediately by a Government Departmental Committee in order that a conclusion might be reached as to what remedial steps were necessary. Other action taken by the Executive during 1933 had been the renewal of their efforts, the President said, to secure a substantial reduction in harbour charges at Canadian ports. It was contended that inasmuch as shipowners were accepting considerably less for their services, harbour authorities should make a reasonable reduction in the charges on shipping. Although the efforts of the Executive met with little success they were assured that the matter was being given serious attention by the port authorities and were hopeful of early action.

The total tonnage of vessels entered in the Federation during 1933 was 1,463,133 gross tons as compared with 1,515,642 gross tons in 1932. Liner tonnage showed a very slight decrease which was more than offset by the fact that liners entered in the Federation made a greater number of voyages than in the previous year. Transient tonnage, due largely to the reduced movement of export grain, showed an appreciable recession from the previous year. Mr. Nicoll drew attention to the fact that Lloyds Register in 1933 showed a reduction of 1,740,617 gross tons in the world's steam and motor tonnage, as compared with the previous year. Sailing tonnage showed a further

decrease of 73,508 tons, so that the total reduction of the world's tonnage in 1933 amounted to 1,814,125 gross tons. The total world tonnage (steam and motor) in 1914 was 45,403,877 gross tons, whereas similar tonnage in 1933 amounted to 66,627,524 gross tons, a large percentage of which was laid up owing to lack of demand.

The Canadian Government Merchant Marine, Limited, reported operating revenues of $2,229,897 in 1933, a decrease of $31,858 as compared with 1932. The operating expenses were $2,247,835, or a decrease of $340,533. The operating deficit was $17,938 in 1933 as against $326,613 in 1932, a gain of $308,674. Fewer sailings accounted for the reduced receipts, while close supervision, coupled with fewer voyages, reduced the expenses. After adding to the operating deficit accruals for depreciation and interest on Government notes and advances amounting to $2,541,957, the net income deficit for the year was $2,559,896 as compared with $4,197,349 in 1932. At the end of the year the fleet consisted of eleven vessels with a dead-weight tonnage of 96,987 tons. Twelve vessels were disposed of during the year, the proceeds being $185,927. Voyages completed during 1933 were as follows: Australia, 3; New Zealand, 3; Australia and New Zealand, 15; United Kingdom, 5; Gulf Ports, 1; total, 27. The principal general officers were: President, S. J. Hungerford; Secretary, R. P. Ormsby; and General Manager, A. H. Allan.

The Sixty-Sixth and the Sixty-Seventh Annual Reports of the Department of Marine for Canada, administered by the Hon. Alfred Duranleau, covered the fiscal years 1932-33 and 1933-34. They showed that in 1932 there were 207 vessels built and registered in Canada with a gross tonnage of 12,758 tons and a net tonnage of 10,006 tons; and that in 1933 there were 163 vessels built, with gross tonnage of 5,110 tons and net tonnage 4,249 tons. The number of vessels on the Canadian Register at Dec. 31, 1932, was: sailing, 3,090 with gross tonnage of 528,004 and net tonnage of 505,074; and steam, 5,805 with gross tonnage of 1,615,968 and net tonnage 970,074. The number on Dec. 31, 1933 was: sailing, 3,099 with gross tonnage of 511,128 and net tonnage of 489,547; steam, 5,822 with gross tonnage of 1,565,756 and net tonnage of 939,792. The number of vessels removed from the Registry Books was 288 in 1932 and 240 in 1933. It was estimated that the number of men and boys, inclusive of masters, employed on ships registered in Canada was 45,877 in 1932 and 45,870 in 1933.

The Canadian Pacific Steamships Limited operated ocean and coastal steamships valued at $116,436,893 which showed net earnings for the year ended Dec. 31, 1933, of $2,178,836. Provision for the depreciation of the steamers was $3,854,481, appropriated from surplus. Economic conditions continued to affect adversely the revenue of the fleet, although the net earnings reflected a moderate increase over the preceding year. Owing to the economic depression, the *Empress of France*, *Minnedosa*, and *Metagama* were not commissioned during the year, and the *Bolingbroke* and *Bothwell* were sold. *The Empress of Australia*, *Melita*, *Montcalm* and *Duchess of Richmond* were laid up for varying periods, but all other vessels of the fleet were constantly employed. Investment of the Company in ocean and coastal steamships increased $28,640 due to minor improvements to various units of the fleet. The net proceeds of the sales of the two steamers mentioned were credited to Steamship replacement, the original cost of the vessels having been previously written off against that account. In the course of the year's work the various vessels steamed, in all, a distance of 1,420,433 miles and called at 101 different ports in various parts of the world with a complete freedom from accidents of any consequence. In 1933 there were 29,821 tourists carried on ships set apart for cruise employment. Increased popularity of short cruises was recorded. First class passenger carryings by the several *Empress* boats on the Pacific increased in 1933 over 1932 and in general the Company retained its relative position for competitive trans-Pacific traffic. Of the Atlantic passenger traffic to and from Canadian ports, Canadian Pacific ships again carried the largest volume being 59.7 per cent. of the whole traffic with only 33.6 per cent. of the aggregate movements of all steamship lines.

Freight traffic showed some improvement, especially towards the latter end of the year with a resulting increase in revenue.

The Twentieth Annual Report of the Canada Steamship Lines, Limited, showed a total revenue for 1933 of $7,459,680, a decline of $610,115 from the previous year, due almost entirely to low grain rates. The net earnings for the year, before providing for depreciation and discount, were $942,977, an increase of $81,061. After all charges, bond discount, reserve for depreciation, etc., there was a deficit of $2,095,275, an improvement of $90,949 over the previous year. Following the non-payment of the 6 per cent. First and General Mortgage bond interest a Committee of the bond-holders was formed and was acting on their behalf. No dividends were paid during the year. The Company's property was maintained in sound physical condition, without any capital expenditures of importance. The fleet consisted of 103 steamships of which 85 were freight and 18 were passenger steamships. The Executive Officers were: President and Managing Director, W. H. Coverdale; Vice-President, the Hon. A. J. Brown, K.C.; General Manager, T. R. Enderby; Treasurer, J. 1. Hobson; and Secretary, R. B. Thomson.

The Canadian National (West Indies) Steamships Limited, according to the Annual Report for the year ended Dec. 31, 1933, operated eleven vessels with a deadweight tonnage of 63,426 tons. Gross operating revenues were $2,959,974, a decrease of $366,102. Operating expenses were $3,454,972 a decrease of $151,821. The result was an operating deficit of $497,997 in 1933 as against $283,715 in 1932, an increase of $214,281. After providing for bond interest and discount, depreciation and interest on notes held by the Government the total deficit for 1933 was $1,544,073 as compared with $1,293,014 in 1932. Freight revenue decreased by $434,002 and was attributed to the continued falling-off in sugar tonnage and banana shipments, the latter being the result of severe hurricanes in Jamaica followed by drought. Passenger traffic declined slightly on the Western Service and increased from 18,655 in 1932 on the Eastern Service to 20,555 in 1933. The Company's vessels were operated throughout the year without casualties of any description and in all steamed 641,426 miles.

Shipping Incidents. Since the enactment by the British Parliament of a preferential tariff on Canadian wheat consigned direct from a Canadian seller to a buyer in the United Kingdom, the result of the Ottawa Agreement, the question had arisen as to whether Canadian wheat shipped by Buffalo and New York would have the advantage of the preference. Free entry was refused by the British Customs to two test shipments of wheat on the ground that they were not properly consigned. Following an exchange of Notes between the British foreign office and the State Department at Washington, an understanding was reached as to the exact character of the documents required by the British authority. A further test shipment of 8,000 bushels *via* New York was made in December, 1933, on the basis arranged. According to a statement of J. E. Ramsey, General Manager of the Port of New York, as contained in a Canadian Press dispatch of Jan. 28, 1934, the British authorities accepted the shipment for free entry. The British Customs, in accepting the trial shipment as duty free, stipulated that on future consignments the certificate of non-manipulation, issued by the United States Customs and viséd by the British Consul, should cover the entire transit through the United States.

Opposition to the proposed St. Lawrence deep waterway was voiced at Toronto, Jan. 10, 1934, by the Great Lakes Division of the National Association of Marine Engineers of Canada. It was pointed out that a large proportion of the freight brought into Canada from overseas was trans-shipped at Montreal. The average ocean freighter furnished cargoes for at least two lake freighters. With the opening of the St. Lawrence waterway, all or most of this business would be eliminated, thereby cutting off employment right from the cabin boys to the executives in the offices, and obliterating the

Great Lakes fleet in which Canadians had invested millions. (*The Mail and Empire,* Jan. 11, 1934).

The Report of the Commission appointed by the Dominion Government to inquire into the proposal to build a canal across Chignecto Isthmus, connecting Nova Scotia and New Brunswick, was tabled in the House of Commons, May 22, 1934, by the Minister of Railways and Canals, the Hon. R. J. Manion. The Commission found that the project would be feasible but would involve an expenditure of from $23,000,000 to $38,000,000 according to the type of canal decided upon. They failed to discover any general demand for the undertaking, and having regard to the transport facilities already available, did not consider that any interest would suffer if the project were to stand in abeyance until further examined in the light of future developments. The Commission was composed of Arthur Surveyer, M.E.I.C., Montreal; D. W. Robb, manufacturer, Amherst, N.S.; and John F. Sowards, ship-owner, Kingston, Ont.

It was announced on Apr. 11, 1934, by Thomas R. Enderby, General Manager of Canada Steamship Lines, that lake steamship operators had reached a gentlemen's agreement concerning the volume of tonnage to be placed in service at the commencement of navigation in 1934 and the rates to be charged on the various commodities. Meeting in Montreal under the auspices of the Lake Freight Association, representatives of the various concerns decided to commission sixty per cent. of their combined fleets on or about May 1. The agreement between all the lines was practically unanimous, and applied to all commodities handled. The grain rate was stabilized at six cents a bushel from Fort William—Port Arthur to Montreal. This was a material advance over rates prevailing in 1933 when they dropped at one time as low as 2¾ cent as a result of intensive competition. Even at six cents, the Companies' representative stated, the traffic would barely clear a profit. Nevertheless, he believed stabilization should prove satisfactory alike to shipowners and shippers of grain.

"Associated for more than sixty years with the St. Lawrence River and the Port of Montreal, the familiar house-flag of the Dominion Line will soon disapper from the seven seas, as the good name of this Company has been acquired by Donaldson Bros. Limited of Glasgow together with *S.S. Nortonian,* which will be operated by them during the coming Summer (1934) between Montreal and the Bristol Channel ports in conjunction with their own steamers and freighters of the Bristol City Line." (*The Gazette,* Montreal, Apr. 12, 1934).

Late in the Autumn of 1933 a dispute arose between the Shipping Federation of British Columbia and the Vancouver and District Waterfront Workers Association as to rates of wages and working conditions. The matters at issue were referred to a board of conciliation and investigation under the Industrial Disputes Investigation Act, which presented Majority and Minority Reports. Further negotiations resulted in an agreement between the parties interested which became effective on Nov. 1, 1934. The agreement provided for a straight time base wage of 76 cents an hour for dock workers and 80 cents for ship workers but these rates were increased by subsequent agreement by 5 cents making the dock rate 81 cents and the ship rate 85 cents, the overtime rate for dockmen being $1.22 and for shipmen, $1.28. Subsequently, however, the Workers Association asked for a straight rate for shipmen of 95 cents which was the prevailing rate at United States Pacific ports. The agreement arrived at, duly executed by all interests concerned, was to be effective until Oct. 31, 1937, and thereafter from year to year unless notice was given to the contrary.

On Dec. 30, 1933, an agreement for the merger of the Cunard Steamship Company and White Star Line North Atlantic Services was arrived at. This agreement was brought about at the instance of the British Treasury, as a condition of British Government assistance for the completion of the Cunard Liner *No. 534.* A Bill to ratify the merger was enacted by the British Parliament and on May 11, 1934, the Cunard-White Star Limited was registered in London with nominal capital of £10,000,000. The successful launching on

Sept. 26, 1934, of *No. 534* and naming her the *Queen Mary* was one of the outstanding Imperial events of the year 1934.

Miscellaneous Traffic Reports. International bridge, ferry and tunnel companies operating between Canada and the United States, all from Ontario points, reported 5,314,392 motor vehicles crossing the border in 1933 as against 6,278,062 in 1932, according to statistics compiled by the Dominion Bureau of Statistics. In addition, 109 horse-drawn vehicles and 15,000,485 pedestrians and motor vehicle passengers crossed. Including the drivers of vehicles, 20,314,986 persons crossed the border in 1933 as against 23,165,782 in 1932. A return trip was counted as two crossings. Total revenues of the various companies in 1933 amounted to $2,450,433 and operating expenses, $2,134,321 as against revenues of $3,282,948 and operating expenses of $2,710,257 in 1932. Including taxes, interest, and other deductions, there was a net income (deficit) of $2,188,622 as against a deficit of $2,374,145 in 1932. The capital stock and funded debt of all the companies was $52,797,355, an increase for the year of $47,578. Employment was given in 1933 to 615 persons who were paid $708,509 as against 616 in 1932 paid $852,279.

The Thirtieth Annual Meeting of the Canadian Transit Association was held in Toronto, June 7-8, 1934. The President, H. R. Mallison of Montreal, pointed out that the transportation companies represented at the meeting carried more than 584,000,000 revenue passengers during 1933 and that the capital investment of these enterprises was more than $213,000,000. There was a decline of 10.85 per cent. in the traffic of 1933 as compared with 1932 when 640,000,000 revenue passengers were carried. The total decline from the peak year 1929 was 31.9 per cent. However, the revenue of public transit services in Canada, he stated, appeared to have reached the end of the decline and one might even observe a slight upward trend in the revenue curve. But whether times were good or bad, the President declared, public transit services were essential to the community and no satisfactory substitute had been developed to provide safe, convenient, economical mass transportation for the public. The automobile was absorbing much of the passenger revenue essential for public transportation services, and increasing competition was inevitable. In order to meet this competition it was imperative to hold in check operating costs. Continuing, Mr. Mallison pointed out that since 1920 operating expenses per car mile had been declining steadily until in 1932 they averaged 25.48 cents. They were slightly higher in 1933—27.18 cents. The portion of operating costs represented by taxation, he said, was too large in view of the fact that practically all Canadian public transit systems—whether privately or publicly financed—were operated on a service-at-cost basis that restricted the interest paid on the capital invested to a very low rate. It was shown that suburban and interurban motor coach services had come through the disturbed economic conditions with a satisfactory degree of stability. A further effort had been made to have the Federal authorities exempt passenger coaches from the excise or luxury tax imposed upon them. The Report referred to the Association since its establishment thirty years before. Member companies operated 2,047.32 miles of track, or 96.2 of the total track miles of electric railways in Canada. Several important reports on matters affecting the industry were submitted and adopted. Among the officers elected for 1934-35 were the following: Honorary President, W. G. Murrin, M.I.E.E., President British Columbia Electric Railway Company Limited; Honorary Vice-President, Acton Burrows, President, Acton Burrows Limited, Proprietor Canadian Railway and Marine World; President, G. E. Waller, Manager, the Hamilton Street Railway Company; Vice-President, H. C. Patten, Comptroller, Toronto Transportation Commission; Treasurer, E. B. Walker, General Superintendent, Canadian National Railways—Electric Lines; Secretary, George S. Gray, Special Engineer, Toronto Transportation Commission.

Aviation in Canada During 1933

The Report of the Dominion Comptroller of Civil Aviation for the year 1933, included all operations of commercial and Provincially-owned aircraft, etc., in fact, all flying in Canada except by Government and privately-owned aircraft. A comparison of the statistics for 1933 and 1932 gave the following showings: 1933—aircraft miles, 4,538,315; flights, 106,252; hours, 53,299; passengers, 85,006; passenger miles, 3,816,862; freight and express, (pounds) 4,205,901; mail (pounds) 599,358. The corresponding figures for 1932 were; aircraft miles, 4,569,131; flights, 102,219; hours, 56,170; passengers, 76,800; passenger miles, 2,869,799; freight and express (pounds), 3,129,974; mail (pounds), 413,687. It will be observed that although there was a slight decline in the aircraft miles, there were substantial increases in the passenger, freight, express and mail traffic.

During the year 443 applicants for air pilots' or air engineers' licences were examined and 393 licences were granted. There were also issued 125 aircraft registration certificates and 97 airworthiness certificates to operators. On Dec. 31, 1933, there were in force the following licences: to private air pilots, 405; commercial air pilots, 474; air engineers, 403; private aircraft, 49; commercial aircraft, 296. There were reported 21 accidents involving death or injury and 90 accidents involving damage to aircraft only, all of which were investigated.

A further extension of the Light Aeroplane Club Scheme was granted. The activities of the clubs were: members, 2,075; aircraft used, 68; members under instruction, 499; hours flown, 9,971.59; and miles flown, 896,690.

There were 90 commercial aircraft operators engaged in transportation of mail, passengers and freight, flying instruction, air photography, timber cruising, forest and fishery patrols, exhibition, mining exploration, prospecting, etc., in 1933—of this total 23 were in Quebec, 20 in Ontario, 18 in British Columbia, 9 in Alberta, 8 in Manitoba, 4 in Saskatchewan, 3 each in Nova Scotia and New Brunswick, 1 each in Prince Edward Island and the Yukon.

Fourteen air harbour licences were issued in 1933 making a total of 105 in good standing. Organized airways were provided between Montreal and Windsor and between Winnipeg and Edmonton. Additional intermediate aerodrome sites were acquired to the number of 42, to complete the Trans-Canada System, leaving 37 additional sites yet to be obtained.

Statistics of the aircraft industry in Canada in 1933 were as follows. establishments reporting, 5; capital invested, $1,249,792; number of employees, 147; and gross value of products, $354,217; aeroplanes manufactured in Canada numbered 13 in 1933, 16 in 1932, 82 in 1931 and 228 in 1930.

Aviation Incidents. Canadian Airways Limited (President, James A. Richardson) showed a net loss of $431,376 for 1933 as against a net loss of $634,780 in 1932. There were indications of a substantial improvement early in 1934. During 1933 there were 16,942 passengers carried and 1,165,434 miles flown without serious accident to one passenger. Carryings during 1933 amounted to 2,850,852 pounds as compared with 2,169,202 pounds in 1932 Total revenue was forty-five per cent. down on mail lines, and 10 per cent. up on other lines. Cost of administration was 35 per cent. down during the year. The Directors decided to move the Executive offices of the Company from Montreal to Winnipeg on July 1. The system of having general offices in Montreal for Eastern lines, in Winnipeg for Western lines, and in Vancouver for Pacific lines was discontinued, the Company's business being administered from Winnipeg as headquarters. Actual transport operations to be controlled from six bases were as follows: Maritime Provinces, Moncton; Quebec and Eastern Ontario, Montreal; Western Ontario, Sioux Lookout; Central Manitoba, Norway House and Ilford; Mackenzie River Area, Edmonton; Pacific Coast, Vancouver.

The Telephone, Telegraph and Radio in 1933-34

Continued decline in the number of telephones in use in Canada was reported in the Bulletin of Telephone Statistics for 1933, issued by the Dominion Bureau of Statistics, Feb. 11, 1935. Altogether there were 1,192,330 telephones operated in Canada in 1933, as against 1,261,245 in 1932, and 1,402,861 in 1930. Rural telephones, which had reached their peak in 1928, showed a decrease each succeeding year culminating in a total decrease of 25 per cent. in the five years to 209,611 in 1933. Business telephones which had reached a peak in 1930 were down 8.7 per cent. by 1933 to 341,063. Residence telephones declined at a greater rate, namely, 16.6 per cent. between 1930 and 1933, to 617,532. There were 11.16 telephones per 100 of population which was second only to that of the United States. Only three other countries, namely, France, Germany, and Great Britain with North Ireland, had a greater total number of telephones in use than Canada. On a *per capita* basis the density in each of these three is less than half that of Canada. The total capital employed in the telephone business was reduced from $286,752,249 in 1932 to $280,099,026 in 1933, due to the retirement of bonds mainly by the Bell Telephone Company. Revenues declined from $60,684,992 in 1932 to $55,661,617 in 1933. Expenditures were also reduced, with the result that the net income was increased from $5,340,969 in 1932 to $5,639,644 in 1933. These figures do not include the Excise tax levied by the Dominion Government on long distance telephone messages which amounted to $559,525. The number of local and long distance conversations, estimated from counts made by the larger systems at different times during the year, showed a reduction from 2,346,573,225 in 1932 to 2,271,581,452 in 1933. The only countires to record a larger number of completed conversations in 1932 than Canada were the United States and Japan. The average number per telephone in Japan was 3,558 as against Canada's 1,905 in 1933. On a *per capita* basis Canada led all countries with an average of 213 completed conversations as against 205 for the United States in 1932 and probably slightly lower in 1933. Employment was afforded to 18,796 persons in 1933, and 21,354 in 1932; salaries and wages were $21,276,406 in 1933, and $24,115,545 in the previous year. There were 2,403 telephone systems in 1933, as compared with 2,414 in 1932. These systems reported a pole line mileage of 219,753 miles in 1933 and 220,459 miles in 1932. The wire mileage, however, was 5,134,871 in 1933 as against 5,089,261 miles in 1932. The number of telephones in Canada by Provinces in 1933 was as follows: Prince Edward Island, 5,348; Nova Scotia, 43,556; New Brunswick, 29,750; Quebec, 259,530; Ontario, 543,907; Manitoba, 61,874; Saskatchewan, 74,258; Alberta, 57,429; British Columbia, 116,528; Yukon, 150. Automatic switchboards operated 488,826 telephones; manual switchboards operated 703,504. Stock companies owned and operated 948,038 telephones, Co-operative systems, 50,650; Municipal systems, 59,457; Provincial Government, 132,541; Dominion Government, 1,643.

Index nulmbers of domestic telephone rates in 74 Canadian Cities moved up slightly in 1933, being 107.4 as compared with 107.2 in 1932, according to a Report of the Dominion Bureau of Statistics; (issued, Aug. 21, 1934); the rates of 1926 equalling 100. A Dominion index in 1933 was 7.4 per cent. higher than in 1926 and 29.1 per cent. higher than the level of 1913. The index for Saskatchewan advanced from 100 in 1932 to 104 in 1933, other Provincial indexes remaining unchanged. Average monthly rates to domestic users, based on typical domestic telephone service in various cities, were as follows: Saskatchewan, $2.68; Prince Edward Island, $2.25; Nova Scotia, $2.43; New Brunswick, $2.75; Quebec, $2.67; Ontario, $2.56; Manitoba, $3.12; Alberta, $2.81, and British Columbia, $2.17. The Dominion average advanced slightly from $2.59 to $2.60 per month. The average rate for business telephones in 1933 was 18.5 per cent. higher than in 1926 and 46.9 above the 1913 level. Considering rates in 1913 as equal to 100, the Provincial indexes in 1933 were: Prince Edward Island, 122; Nova Scotia, 164.1; New Brunswick,

152.3; Quebec, 149.3; Ontario, 159.4; Manitoba, 131.2; Saskatchewan, 134; Alberta, 169.1; and British Columbia, 118.2. The average monthly rates for business desk telephones increased in Saskatchewan from $3.96 in 1932 to $4.14 in 1933. Other Provincial rates remained unchanged at: Prince Edward Island, $3.67; Nova Scotia, $5.81; New Brunswick, $5.39; Quebec, $6.47; Ontario, $6.01; Manitoba, $6.69; Alberta, $5.63; and British Columbia, $6.75 per month.

According to the Report of the Bell Telephone Company for 1933, there was a continued decline in that year in the number of telephones in use. There were 171,773 telephones connectd and 213,602 disconnected, a net loss of 41,829. The loss in 1932 was 61,765. During the first half of 1933 telephones decreased by 33,833, and in the second half by 7,996, showing an improved trend of business during the latter period. The gross receipts for long distance use and revenues were less in 1933 by $600,000 than during the previous year, though there was a definite improvement during the last quarter. At the end of 1933 there were 671,139 telephones in service: 238,291 business and 432,848 residence. Other telephone systems in Ontario and Quebec with which the Company interchanged service numbered 849, with 137,170 telephones, in 1933, a decrease of 6,610 during the year. Local service revenue was $26,955,759 a decrease for the year of seven per cent. Long distance revenue was $7,400,371, a dcrease of approximately eight per cent. Miscellaneous revenues and investments yielded $1,339,106, a decrease of 27 per cent. From all sources the gross revenue of the year was $35,695,236, a decline of eight per cent. from 1932. In consequence of the decreased volume of business, all officers and employees were on part time as well as subject to discount from pay. The result of these and other economies was a reduction of approximately eleven per cent. in telephone operating expenses. The net income available for dividend was $4,329,442, or $5.62 per share of average outstanding capital stock. Dividends were reduced from $7.25 per share in 1932 to $6.00 per share in 1933. To provide for the reduced dividend it was necessary to draw upon surplus to the amount of $292,277. A further charge to surplus of $335,135 in connection with the repayment of United States loans, and small miscellaneous deductions reduced the surplus by $628,596. Shareholders of the Company numbered 20,531. Of these 93.8 per cent. resided in Canada and held 66.3 per cent. of the stock, 55.9 per cent. of the shareholders being women. Gross additions to the Company's plant in 1933 amounted to $8,878,000; a plant originally costing $9,919,000 was retired from service. At the end of the year there were 346,448 dial-operated telephones in the five cities so served, representing 85 per cent. of the total telephones in those cities. The number of company-owned telephones was 671,139; in addition, connecting and miscellaneous telephones numbered 137,170, making a total of 808,309 telephones operated. Average daily connections for 1933 were: local, 4,803,300; toll, 47,500. The total payroll was $13,629,279 which went to 10,046 employees. Fixed Capital at the end of 1933 was $191,316,558.

The Maritime Telegraph and Telephone Company operated 37,868 telephones in 1933, a loss of 1,172 for the year. This resulted in a decrease in revenue of $79,501, the total revenue being $1,683,348. Various economies, including salary reductions, resulted in a net income of $323,758 of which the sum of $320,745 was set aside for dividend and $3,012 transferred to Surplus.

Other Provincial Telephone systems continued to show reductions in the number of their subscribers. The Manitoba Telephone System recorded a loss of 5,764 subscribers in 1933 being a total loss of 13,000 since 1930. The Province had 59,507 telephone stations of which 40,412 were in Winnipeg. Revenue for the year ended Nov. 30, 1933, was $2,859,125 and expenditure, including interest, $2,672,551. Plant replacement equalled the $186,574 operating surplus, thus leaving no balance. Saskatchewan Department of Telephones reported for the fiscal year ended Apr. 30, 1934, a net loss of 867 local subscribers and 1,642 rural subscribers, reducing the total connections to: 31,392 local, and 30,208 rural. Evidence presented to the Railways and Tele-

phone Committee of the Legislature of Alberta in 1934 showed that the telephone installations in the Province had dropped from 62,000 in 1930 to 40,000 in 1934. The System comprised 18,000 miles with a capital investment of $7,748,935 and was running behind heavily. The British Columbia Telephone Company reported for the calendar year 1933 that the number of telephones operated in that year was 105,081, a decrease of 3,830 for the year. The gross revenue was $4,696,985; the expenses were $4,061,537 showing a balance of $635,447. Dividends amounting to $656,250 were paid leaving a deficit of $20,802 which was charged to Surplus.

The Telegraph Companies in 1933. The gross revenues of all telegraph and cable companies operating in Canada during 1933 amounted to $9,267,715, as against $9,381,075 in 1932 and $11,641,729 in 1931. The operating expenses were $8,122,964 in 1933, as compared with $9,020,052 in 1932 and $10,720,949 in 1931. The net corporate income for 1933 showed a debit of $157,458, as compared with a debit of $1,130,018 in 1932 and $495,150 in 1931. The pole line mileage decreased from 52,362 miles in 1932 to 52,112 miles in 1933; wire mileage also decreased in those years from 366,142 miles to 365,489 miles. Employees numbered 5,263, receiving $5,870,433 in 1933 as against 5,788 receiving $6,627,605 in 1932. There were 8,512,020 telegrams sent in 1933 and 1,623,633 received from the United States. The corresponding figures for 1932 were: 9,083,776 telegrams sent and 1,435,657 received from the United States. In addition, the companies handled 1,589,117 cablegrams in 1933 as against 1,506,393 in 1932 and also $3,632,910 in money transfers in 1933, as against $4,698,660 in 1932.

The Canadian Marconi Company reported that after long negotiations with Imperial and International Communications Limited (now Cable and Wireless Limited) an agreement had been reached, the effect of which was to remove any conflict of interest, and to enable overseas services of both Companies to be operated on a basis of mutual assistance and co-operation. The results for the year, though far from good, showed some improvements over those of 1932. The deficit in 1933 was $35,864 as against $56,618 in 1932.

The first direct cable service between Toronto and London was inaugurated June 1, 1934. A message sent by the Mayor of Toronto from the headquarters of the Canadian National Telegraphs received a reply from the Lord Mayor of London in about thirty seconds. The event was hailed as "Canada's initial attempt to tie indirectly by cable with the Motherland."

Radio Affairs. The Annual Report of the Canadian Radio Broadcasting Commission, tabled in the House of Commons on Jan. 22, 1935, gave statistics covering the period from Jan. 18, 1933, when the administration of the Act was undertaken, to Mar. 31, 1934. With regard to programme activities during this period, 800 Canadian artists were employed each week in broadcasts, totalling 48 hours. The Commission expended $1,128,591; the two largest items were $344,027 for programmes and $300,899 for wire lines. Expenditures for salaries—exclusive of artists—was $129,670. Other items were: administration, $61,615; new construction, $55,689; rentals and leases, $141,096; equipment, $41,314; and operation of stations, $54,279. The service was provided on a system of broadcast networks organized as follows:

Maritime network serving Nova Scotia, Prince Edward Island and New Brunswick;
Mideast network serving Ontario and Quebec;
Central network serving Manitoba and Saskatchewan;
Pacific network serving Alberta and British Columbia;
Midwest network serving Manitoba, Saskatchewan and Alberta;
Eastern network which includes the Maritimes and midwest networks;
Western network which includes the Central, Midwest and Pacific networks;
National network which includes all the above and thus serves all points in Canada.

By the end of 1934 Commission networks included upwards of 50 broadcasting stations covering the country from Sydney, N.S., to Vancouver, B.C. Of these stations 23 were "basic" stations which, either through being oper-

ated by the Commission itself or through contract arrangement with it reserved specified time each day for Commission broadcasting. The others were stations to which the Commission service was made available but with which the use of it was optional. The network stations were connected by approximately 12,000 miles of communication wires or about 5,900 miles of broadcast wire pairs. For the operation of this wire communication system, a telegraphic monitor circuit involving an additional 5,900 miles of wire and 64 repeater and control stations was used. The wire network was supplied jointly by the Canadian Pacific Telegraphs and Canadian National Telegraphs under contract arrangement with the Commission. Of the network stations 6 were operated by the Commission itself.

The national broadcasting service followed usual broadcasting practices with respect to the types and variety of entertainment provided. The daily broadcasting, however, contained no advertising, direct or indirect, and all Canadian cities were represented in the broadcasting. The regular service consisted, broadly speaking, of entertainment, mainly musical; informative and educational broadcasts; news bulletins and weather forecasts, and special features. A more accurate classification would be impossible as a number of the regular features of the service would fall under two or more headings. Many of the musical programmes, for example, were directly educational and informative in that they included biographical sketches of the lives and works of the great composers. Musical programmes included opera, chamber music, choral concerts, instrumental recitals, bands and orchestras of all kinds. In its musical programmes, particularly, the Commission sought to serve all tastes. During the Winter season of 1933-34, a series of weekly broadcasts by the Metropolitan Opera Company of New York was carried on the Commission networks. In the Commission's studios light operas were produced by its own groups of artists. It also secured and broadcast from coast to coast the Sunday afternoon series of concerts by the New York Philharmonic Society as well as other symphony concerts by well-known organizations in Canada and the United States. Leading Canadian concert orchestras, dance orchestras, bands and choral groups were heard frequently in the national service. Other entertainment programmes included what might be called variety revues, humour, children's programmes. There was a fifteen-minute news bulletin period every evening followed by weather bulletins and the broadcasting of "A Fact a Day About Canada" supplied by the Dominion Bureau of Statistics. During the Autumn and Winter season the Commission maintained a weekly service by short wave to the outposts in the Far North. This service included a summary of the week's news, a special entertainment programme and personal messages. In response to public request this Northern Messenger Service was also carried on the national network.

In addition to the regular schedule broadcasting, the Commission broadcast events of special interest taking place in Canada and other countries. During the year 1934, it broadcast the launching of the new ocean liner, *The Queen Mary,* the Jacques Cartier quadracentennial celebrations at Gaspé anl elsewhere, the wedding of the Duke of Kent and Princess Marina of Greece, and other events in which there was general interest. It participated in the Empire Christmas broadcasts of 1933 and 1934. Broadcasts in behalf of international peace, community relief and child welfare and other causes were carried on its network.

During 1934 a new broadcasting station at Quebec was added to the chain of stations operated by the Commission and another station for this chain was nearing completion at Windsor, Ontario. A receiving station, which was being constructed at Ottawa with special equipment for the reception of short wave programmes from Great Britain, would enable the Commission to pick up selected programmes from Great Britain and rebroadcast them over its networks by means of its blattnerphone magnetic equipment. Programmes were regularly exchanged between the Commission and the large broadcasting companies of the United States.

As required by the Canadian Radio Broadcasting Act the Commission continued to control and regulate all broadcasting in Canada. In September, 1934, Thomas Maher, Vice-Chairman of the Commission, resigned, and in November J. N. Cartier of Montreal was appointed in his place.

Reviewing the activities of the Commission from its inception the Chairman, Hector Charlesworth, at Ottawa on Feb. 19, 1934, declared that it had already been demonstrated that a national public service broadcasting system could be operated efficiently, economically and satisfactorily, but that it was not possible under any other system. He stated that the principal aims of such a system of service were: freedom from dependence on foreign sources for radio services; a fairer distribution of the advantages of radio than obtained under commercial broadcasting; the exchange of programmes between different parts of the Dominion; the exchange of programmes, of a high type, with other countries; and to afford encouragement and opportunities for Canadian talent. In advancing these aims Mr. Charlesworth added: "I believe that the national system has already gone far towards eradicating that 'inferiority complex' which held that Canada could do very little in the way of competing with United States broadcasting." He pointed out that the Aird Commission proposed a capital expenditure of $3,250,000 and an annual expenditure of $2,500,000 to be financed by a receiver's licence fee of $3.00 and an annual subsidy of $1,000,000. In the first year of its existence the Commission had received $1,000,000 for the establishment and operation of the national system, this being approximately two-thirds of the revenue from the $2.00 receiver's licence fee. Starting from scratch, it was only through the making of economical arrangements, that the Commission had been enabled to provide the service. Before the Radio Committee of the House of Commons on Mar. 21, 1934, Mr. Charlesworth stated that complete nationalization of radio broadcasting in Canada was still in the distant future and the taking over of the 60 odd privately-owned stations by the Commission remained only a "pious hope." New licences to privately-owned stations had been granted to serve isolated districts, but the policy had been to restrict these new stations to the bare necessities of the listeners. Speaking on the subject of news broadcasts, Mr. Charlesworth pointed out that the arrangement of the C.B.C. with the Canadian Press was much better than similar agreements between United States' radio and news agencies. In the United States the radio could not use news until after it had been published. The Canadian news broadcasts were not so restricted.

Legislation to extend the term of the Canadian Radio Commission for another year was passed by the House of Commons on June 30, 1934. In the brief debate which ensued attention was directed mainly to the extension of equal treatment of all political parties in radio broadcasts during election campaigns. All speakers were unanimous that no favouritism should be shown. The suggestion of the Hon. Charles Stewart (Lib., Edmonton West) that each group should be given a free broadcast at the close of an election campaign was opposed by the Chairman of the Radio Committee, Dr. Raymond Morand.

Major Gladstone Murray of the British Broadcasting Corporation submitted a Report to the Prime Minister on the organization of a radio system for Canada which was published Aug. 19, 1933. In the Report Major Murray stated that experience elsewhere had proved the folly of trying to make broadcasting administration a department of state. He regarded broadcasting as primarily a business, and considered that its successful administration must depend on the recognition of this fact. He suggested that consideration be given to a proposal to set up an operating company under general control of the Commission, but enjoying an adequate degree of independence. Such a company, he stated, would be in some ways analogous to the original British Broadcasting Company, upon which the existing system was built. It would protect the Commission, relieve it of executive responsibility which should not be its concern, while enabling it to act more efficiently as trustee for the general interest. The following fundamentals of policy were submitted: (1) before action, careful survey and consultation;

(2) constructive planning over a period of years; (3) enlisting the support of all public organizations concerned; (4) reasonable protection of minorities, without prejudicing the interest of majorities—the Dominion view at headquarters—a rational reflection of local interests and aspirations in the regions; (5) unfailing recognition of the priority of entertainment values in programme work; and (6) the broadcasting authority to be unbiased and non-partisan and not on its own account, either directly or indirectly, to express views or to favour policies on contentious subjects.

After attending the Regional Radio Conference at Mexico City, which began July 10, 1933, Lieut.-Col. W. A. Steel, technical member of the Canadian Radio Broadcasting Commission, and one of the Canadian delegation, in a statement at Ottawa on Aug. 14, 1933, said that additional frequencies would be available for broadcasting in North America as a result of that Conference. The band of frequencies between 1500 and 1600 Kilocycles might be used for broadcasting should the various countries so desire. The band then being used for broadcasting on the North American Continent was from 550 to 1500 Kilocycles, and in this band, Canada had 36 channels, of which nine were clear and others shared. By extending the band to 1600 Kilocycles, 10 more channels would be available and it was possible Canada would receive four of them. No definite agreement was signed at Mexico City, but a series of recommendations were prepared on various fundamental principles, which the delegates undertook to submit to their respective Governments.

Announcement was made by the Canadian Radio Commission on July 7, 1933, that effective from July 17, broadcasting stations in Canada would not be allowed to broadcast news items other than those provided by the Canadian Press, or some other licensed news agency in the Dominion. Beginning on that date the Commission was furnished with news broadcasts twice daily including Sundays.

During the fiscal year 1933-34 the Radio Branch of the Dominion Department of Marine licensed 707,625 private receiving stations, as compared with 761,288 during 1932-33. These receiving stations were distributed as follows: Prince Edward Island, 1,758; Nova Scotia, 25,039; New Brunswick, 17,206; Quebec, 201,154; Ontario, 288,357; Manitoba, 44,420; Saskatchewan, 32,951; Alberta, 40,455; British Columbia, 55,978; and Yukon, 307. Of the total decrease during the year—53,663—the Province of Ontario showed a loss of 51,990. There were also losses in Nova Scotia, Manitoba, British Columbia and Yukon. There were compensating gains in Prince Edward Island, Quebec, Saskatchewan and Alberta. The Radio Branch also licensed 2,181 transmitting stations as compared with 1,801 in 1932-33. These included 1,606 amateur experimental stations in 1933-34, as against 1,229 in the previous years. Seventy-two broadcasting stations were licensed. The net revenue accruing to the Radio Branch from all sources in 1933-34 was $1,294,399 whereas in the year before it reached $1,460,532. Cases of radio interference investigated numbered 12,201 and were attributed to the following causes: electrical distribution and power lines, 7,904; domestic and commercial electrical apparatus, 2,683; defective receivers and radio apparatus, 1,614. The extension of this service, and the greater efficiency of the inspectors and the means they employed, were marked features of the year's operations. Eleven court cases were prosecuted under the Radio Act and Regulations during 1933-34.

Radio Incidents. At a meeting of the Dominion Broadcasters' Association held in Toronto, Jan. 9, 1934, composed of owners and representatives of most of the commercially-owned stations in Canada, it was resolved that the Radio Broadcasting Act of 1932-33 was *ultra vires* of the Dominion Parliament. The Association urged that the Canadian Radio Commission should not be continued after Apr. 30, 1934, and proposed a new plan of control centred in a Canadian Broadcasting Corporation administered by five Governors, representing the Maritime Provinces, Quebec, Ontario, the Prairie Provinces and British Columbia. The Governors were to be appointed on disinterested and non-party lines, and were not to operate

directly any radio stations. At the Radio Committee of the House of Commons on Mar. 23, 1934, R. W. Ashcroft, President of the Broadcasters' Association, submitted a brief advocating the abolition of the Canadian Radio Commission and affirming that so far nationalized broadcasting, "instead of being a public service, has been almost a public nuisance to most of those whom it is supposed to serve."

The legality of the radio owner's licence in Canada, enforced under an Act passed in 1913, was upheld by Mr. Justice Eric Armour at Osgoode Hall, Toronto, on Feb. 23, 1934. Archibald F. Gignac of Sandwich, having been charged with establishing a radio-telegraph station without a licence, was acquitted by Magistrate W. A. Smith of Windsor. The defence advanced was that the Act was out of date and not intended to apply to private receiving sets. On appeal His Lordship held that this view could not be sustained and affirmed that "when a person installs in his private dwelling house a radio receiving set he thereby establishes a radio telegraph station."

A court dispute of three months' standing between the Canadian Radio Commission and the Canadian Performing Rights Society, over the broadcasting of 16 popular songs, of which the Society owned the copyright, came to an end Mar. 9, 1934, by a settlement under the terms of which the Broadcasting Commission purchased a licence to broadcast the songs in question.

On June 9, 1934, the members of the Musicians Federation of Montreal, operating station CRCM went on strike. They demanded an increase of wages and recognition of a closed shop policy. Sympathetic strikes were ordered in a number of Canadian cities on June 15. The Chairman of the Commission (Mr. Charlesworth) stated on June 15 that the Commission had always paid union wages and that 97 per cent. of the orchestral performers on the air had been union men. He considered that the conflict was primarily for recognition of the International Union. The Commission, he stated, as an agency of the Crown, could not consider the principle of the closed shop. As to other matters in dispute, he recommended a reference under the Industrial Disputes Act. If the strike were continued, he stated, a rearrangement of programmes would be made.

LABOUR AND UNEMPLOYMENT RELIEF

Recovery in Industrial Employment During 1934

According to statistics furnished the Dominion Bureau of Statistics by leading employers in Canada, the recovery in industrial employment in evidence from the second quarter of 1933 continued with considerable force in 1934. The fluctuations differed from those of the preceding year, but the gains then made were consolidated and extended until employment in 1934 was in greater volume than in either 1933 or 1932. A significant feature of the revival recorded in the twenty months elapsing since the low point of employment in the depression was its widespread nature, all five economic areas, the leading industrial cities and principal industries sharing to a greater or less degree in the improvement.

Economic Areas	1934 Average Number of Firms	1934 Average Number of Employees	1934 Average Indexes (1926=100)	Increase over 1933 in the Average Number of* Firms	Increase over 1933 in the Average Number of Employees	Increase over 1933 in the Average Index Numbers Points	Increase over 1933 in the Average Index Numbers P.C.
Maritime Provinces	613	71,401	101.0	29	11,837	15.7	18.4
Quebec	2,080	249,996	91.7	105	28,400	9.7	11.8
Ontario	3,830	384,456	101.3	242	67,591	17.1	20.3
Prairie Provinces	1,285	112,868	90.0	99	6,029	3.8	4.4
British Columbia	882	74,870	90.4	85	11,108	12.4	15.9
Canada	8,690	893,653	96.0	552	125,025	12.6	15.1

* Due to increased number of firms reporting rather than to establishment of new industries.

Index Numbers of Employment by Economic Areas

(Average Calendar Year 1926=100)

	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Colnmbia
Jan. 1, 1932	91.6	111.1	86.3	93.8	92.8	80.6
Jan. 1, 1933	78.5	80.1	77.8	78.8	84.4	69.7
Feb. 1	77.0	76.5	75.7	78.9	80.4	68.0
Mar. 1	76.9	76.8	74.1	79.8	80.0	67.7
April 1	76.0	78.3	73.1	78.3	78.3	68.8
May 1	77.6	80.3	75.4	79.5	79.2	72.2
June 1	80.7	82.8	79.3	81.6	82.7	76.2
July 1	84.5	89.9	83.0	85.0	85.0	81.8
Aug. 1	87.1	93.0	84.8	86.6	90.5	87.3
Sept. 1	88.5	91.5	87.0	88.1	90.7	89.2
Oct. 1	90.4	90.9	89.1	89.6	98.7	85.6
Nov. 1	91.3	90.2	92.2	91.4	94.6	84.0
Dec. 1	91.8	93.4	92.4	93.3	89.3	85.4
Jan. 1, 1934	88.6	97.0	86.3	91.2	86.4	80.4
Feb. 1	91.4	101.3	88.5	95.3	84.7	84.1
Mar. 1	92.7	103.2	89.1	97.8	83.8	85.6
Apr. 1	91.3	95.1	85.1	98.7	83.3	86.6
May 1	92.0	98.3	85.5	98.5	85.4	88.4
June 1	96.6	98.4	90 9	104.4	89.5	89.1
July 1	101.0	100.4	94.1	109.9	94.1	94.1
Aug. 1	99.9	101.3	94.9	106.0	93.0	97.6
Sept. 1	98.8	101.8	95.4	103.3	92.9	96.2
Oct. 1	100.0	103.1	96.0	104.8	95.7	95.4
Nov. 1	100.2	104.9	98.0	103.6	96.5	94.1
Dec. 1	98.9	106.9	96.4	101.7*	94.3	92.9
Jan. 1, 1935	94.4	99.0	91.3	98.0	91.2	88.8
Relative Weight of Employment by Economic Areas as at Jan. 1, 1935.	100.0	7.8	28.0	43.2	12.8	8.2

NOTE.—The "Relative Weight," as given just above, shows the proportion of employees in the indicated areas to the total number of all employees reported in Canada by the firms making returns for the date under review. * Revised index.

Index Numbers of Employment by Principal Cities

(Average Calendar Year 1926=100)

	Montreal	Quebec	Toronto	Ottawa	Hamilton	Windsor	Winnipeg	Vancouver
Jan. 1, 1932..	88.0	100.8	99.6	108.9	91.3	83.5	92.5	91.1
Jan. 1, 1933..	77.5	92.6	86.5	85.8	70.7	63.9	80.8	82.5
Feb. 1 ..	76.1	88.9	84.7	85.7	70.4	67.2	77.8	81.2
Mar. 1 ..	75.8	92.3	84.4	85.5	70.8	70.5	78.0	80.5
Apr. 1 ..	76.4	92.7	85.0	85.3	70.9	79.0	78.0	79.0
May 1 ..	79.5	93.7	85.6	87.2	69.4	80.6	77.0	79.2
June 1 ..	80.6	96.8	86.5	91 1	75.6	78.9	79.4	81.9
July 1 ..	81.5	99.4	87.7	91.5	77.2	80.5	80.3	83.4
Aug. 1 ..	82.4	99.5	86.9	92.7	77.5	80.9	81.7	85.2
Sept. 1 ..	84.4	99.7	88.4	93.1	77.7	76.2	82.2	87.4
Oct. 1 ..	87.3	98.3	90.9	93.2	75.4	77.6	82.3	85.9
Nov. 1 ..	86.4	94.7	91.5	95.5	79.5	76.7	81.5	85.1
Dec. 1 ..	84.5	92.9	92.0	95.4	80.0	78.2	83.3	84.9
Jan. 1, 1934..	78.0	86.5	90.0	95.8	77.1	76.5	81.1	82.2
Feb. 1 ..	81.1	89.6	89.7	98.4	80.4	90.9	79.5	83.9
Mar. 1 ..	82.6	93.2	91.1	96.7	81.0	97.7	79.7	84.1
Apr. 1 ..	82.1	95.4	92.7	97.6	83.0	102.9	79.7	84.8
May 1 ..	82.9	96.3	92.9	100.8	83.9	109.3	81.2	85.9
June 1 ..	86.3	97.9	93.9	102.4	86.7	107.1	81 9	86.3
July 1 ..	86.7	96.1	94.1	102.4	87.5	100.6	82.7	89.8
Aug 1 ..	86.4	99.4	92.9	103.4	87 8	100.7	84.0	91.5
Sept. 1 ..	86.6	99.9	94.3	100.9	84.9	91.0	85.2	91.8
Oct. 1 ..	87.0	97.5	96.5	100.8	84.4	86.7	86.5	90.5
Nov. 1 ..	87.3	96.5	97.2	98.6	86.3	76.1	86.4	89.0
Dec. 1 ..	86.7	92.4	97.1	96.0	86.1	77.9	87.1	89.0
Jan. 1, 1935..	84.8	88.9	95.8	97.5	83.0	88.4	85.6	88.7
Relative Weight of Employment by Cities as at Jan. 1, 1935.								
	14.3	1.3	13.1	1.4	3.0	1.4	4.1	3.2

NOTE.—The "Relative Weight," as given just above, shows the proportion of employees in the indicated city to the total number of all employees reported in Canada by the firms making returns for the date under review.

Index Numbers of Employment by Industries

(Average Calendar Year 1926=100)

	All Industries	Man'f.	Log.	Min.	Comm.	Trans.	Constr.	Serv.	Trade
Jan. 1, 1932.....	91.6	83.9	68.7	105.1	98.1	85.6	104.8	114.4	125.7
Jan. 1, 1933.....	78.5	74.4	74.5	96.9	87.5	78.3	58.5	102.2	119.6
Feb. 1	77.0	75.0	67.3	94.0	85.7	75.0	56.2	104.2	109.4
Mar. 1	76.9	75.8	57.1	94.6	85.6	74.1	56.5	102.9	107.3
Apr. 1	76.0	76.0	35.6	91.4	84.5	74.2	54.7	102.5	107.6
May 1	77.6	76.8	35.1	89.9	83.7	78.9	60.8	99.9	108.6
June 1	80.7	80.0	40.7	91.4	83.2	79.0	67.8	106.2	109.1
July 1	84.5	83.0	49.5	93.1	84.0	80.5	78.2	111.5	111.8
Aug. 1	87.1	85.2	48.9	97.4	83.6	81.2	88.4	111.8	110.5
Sept. 1	88.5	86.8	48.3	100.4	83.8	82.5	88.4	113.8	111.8
Oct. 1	90.4	86.7	64.7	105.8	82.5	82.7	97.0	108.1	115.0
Nov. 1	91.3	86.5	110.3	109.7	81.1	81.4	94.6	107.9	115.6
Dec. 1	91.8	84.4	166.5	105.5	81.0	79.8	94.6	108.8	119.1
Jan. 1, 1934.....	88.6	80.0	168.8	106.8	78.4	76.3	88.1	109.8	122.3
Feb. 1	91.4	84.2	174.0	109.4	76.8	76.2	98.0	108.7	111.6
Mar. 1	92.7	86.5	153.3	108.9	76.7	78.0	100.8	109.3	112.5
Apr. 1	91.3	88.1	104.9	103.3	76.8	75.9	95.8	111.8	116.1
May 1	92.0	90.2	80.5	103.6	76.9	78.5	95.8	111.7	115.6
June 1	96.6	93.2	75.0	106.2	78.0	80.3	116.7	115.4	116.5
July 1	101.0	93.8	86.3	107.0	80.1	82.6	140.6	119.7	119.1
Aug. 1	99.9	94.2	84.5	110.3	81.2	83.6	129.0	123.0	116.5
Sept. 1	98.8	94.3	85.6	112.4	82.5	83.6	118.1	125.5	117.1
Oct. 1	100.0	94.4	113.4	117.9	81.3	84.8	117.0	116.2	120.0
Nov. 1	100.2	92.8	171.9	121.2	80.7	83.9	111.0	114.9	121.3
Dec. 1	98.9	91.3	198.6	122.9	79.8	80.1	100.3	115.2	126.0
Jan. 1, 1935.....	94.4	87.4	181.3	119.1	78.6	76.2	87.9	115.2	130.6
Relative Weight of Employment by Industries as at Jan. 1, 1935.									
	100.0	48.9	5.6	6.1	2.3	10.0	12.9	2.8	11.4

NOTE.—The "Relative Weight," as given just above, shows the proportion of employees in the indicated industry to the total number of all employees reported in Canada by the firms making returns for the date under review.

Unemployment in Trade Unions

(Percentage)

Month	N.S. and P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Can.
Average 1919....	3.1	2.0	3.4	2.7	2.1	3.2	2.0	7.9	3.4
Average 1920....	1.8	2.0	7.2	3.4	3.1	3.2	2.8	11.2	4.9
Average 1921....	11.3	8.5	16.6	9.7	8.5	7.8	7.8	23.5	12.7
Average 1922....	7.1	4.3	8.6	5.0	8.9	5.4	6.1	12.4	7.1
Average 1923....	3.0	2.0	6.7	3.7	5.8	3.0	6.0	5.8	4.9
Average 1924....	5.1	4.0	10.9	6.1	6.5	4.3	5.4	5.8	7.2
Average 1925....	5.0	3.6	10.9	5.5	5.1	3.3	8.4	5.7	7.0
Average 1926....	7.8	2.1	6.8	4.2	3.6	3.0	4.9	5.5	5.1
Average 1927....	3.7	1.9	6.8	4.1	4.4	3.2	4.1	5.5	4.9
Average 1928....	4.0	1.2	6.1	3.5	4.2	3.0	4.2	5.1	4.5
Average 1929....	4.0	1.6	7.7	4.3	7.1	5.3	6.4	5.9	5.7
Average 1930....	5.4	3.7	14.0	10.4	9.6	10.6	13.3	11.6	11.1
Average 1931....	8.5	9.2	19.3	17.2	15.7	15.6	19.4	17.6	16.8
Average 1932....	9.6	14.4	26.4	23.7	20.0	15.8	22.6	21.6	22.0
Average 1933....	16.0	13.0	25.2	24.4	20.3	17.2	21.7	20.8	22.3
Jan. 1933.....	22.7	15.6	26.9	28.7	23.6	22.7	22.7	21.6	25.5
Feb.	9.2	17.1	27.5	28.8	22.0	21.8	19.8	21.9	24.3
Mar.	22.7	16.4	27.3	26.8	20.3	20.5	25.3	23.8	25.1
April	21.3	15.1	25.7	26.5	20.9	17.5	28.1	22.6	24.5
May	26.6	14.2	25.0	24.9	21.0	17.9	25.9	19.5	23.8
June	13.8	13.0	26.2	23.3	19.4	14.9	24.5	18.6	21.8
July	12.2	11.0	26.0	22.9	19.0	15.4	23.1	17.5	21.2
Aug.	12.6	11.1	22.6	21.7	17.9	14.3	22.0	19.9	19.9
Sept.	11.0	10.4	24.1	20.9	19.1	13.5	19.7	21.3	19.8
Oct.	12.5	9.8	25.1	20.3	19.4	13.3	16.5	21.7	19.8
Nov.	17.1	10.7	22.8	22.1	20.4	16.1	15.0	21.3	20.4
Dec.	11.2	11.5	23.2	24.9	20.3	17.2	17.6	19.8	21.0
Jan. 1934.....	10.7	9.4	23.6	24.2	21.2	17.9	16.4	25.0	21.2
Feb.	10.8	9.8	21.9	22.5	21.6	18.3	17.1	21.2	20.0
Mar.	9.1	10.7	22.3	19.9	21.8	18.5	20.3	19.9	19.5
April	10.9	9.6	22.3	18.6	19.5	15.6	22.4	19.2	19.1
May	11.8	8.1	23.6	15.9	17.8	14.2	24.3	18.4	18.5
June	11.4	7.3	22.9	15.9	17.0	12.1	24.8	17.2	18.0
July	9.9	6.2	24.1	16.3	16.1	9.3	24.1	16.2	17.9
Aug.	7.8	6.1	18.8	17.0	16.2	9.6	18.5	20.5	16.5
Sept.	7.3	6.6	21.2	16.7	14.6	9.0	15.3	18.1	16.4
Oct.	4.7	6.7	22.2	16.5	13.9	9.7	11.0	19.9	16.2
Nov.	5.3	7.9	25.7	16.3	16.3	11.7	10.7	21.3	17.5
Dec.	4.7	7.2	24.5	18.7	16.1	13.1	9.0	24.6	18.0

The Unemployment Relief Act of 1933

In accordance with Provincial views expressed at the Dominion Provincial Conference of January, 1933, the Dominion Government continued to assist the Province in the discharge of their constitutional obligations on the basis of the Provinces' dealing with the existing unprecedented economic conditions by distribution of Direct Relief, and the Dominion's resuming the policy of contributing to Provincial and Municipal works when requested by the Province. This policy had been in effect in 1930-31 but had been largely dropped in 1932 at the expressed request of the Province. The Dominion Government continued during the fiscal year 1933-34 to contribute to the expenditures made by the four Western Provinces in connection with the care of homeless unemployed persons, in addition to the provision made for the care of such persons through the projects carried on by the Department of National Defence in all the Provinces except Prince Edward Island, and by the Department of Interior in the National Parks of Canada. Agreements were entered into in all the Provinces with regard to expenditures for direct relief and for public works and other undertakings; by these it was provided that the Provinces would submit to the

Dominion for approval by the Minister of Labour, from time to time, a schedule or schedules setting forth a list of public works and undertakings proposed to be carried out by the Province and/or the municipalities under the provisions of the agreements. Copies of the agreements were later read before Parliament.

The Relief Act, 1933, authorized the continuation and expansion of projects inaugurated under the Relief Act of 1932 by the Department of National Defence for the purpose of affording relief to single homeless men. These projects were located in every Province, except Prince Edward Island where the problem of the homeless man was not serious. The class of work done included clearing and grading of landing fields, forestry work, road construction, and other work that could be economically carried out for the general advantage of Canada. The men were provided with food, accommodation, clothing, a free issue of tobacco, an allowance of twenty cents per day and in addition, necessary medical, dental, and hospital attention. Continuation of works carried on by the Department of the Interior in the National Parks, and on the Golden-Revelstoke Highway, for the relief of single homeless unemployed men, was authorized under The Relief Act, 1933. Provision was also made for the relief of needy permanent residents of the parks. Of the works carried on in connection with the camps administered by the National Parks Branch of the Department of Interior, road construction operations were of major importance. By agreement between the Federal Government and the Province of British Columbia, the Dominion, as represented by the Department of the Interior, carried on construction operations on the east leg of the Big Bend or Golden-Revelstoke Highway, which forms a portion of the Trans-Canada Highway. Work was continued in connection with the construction of the Banff-Jasper Highway, which was one of the most important development projects undertaken in the National Parks in recent years, and which when completed would form a direct north and south connecting line between Banff and Jasper National Parks. Work was carried out on entrance and internal highways at Prince Albert National Park in Saskatchewan and Riding Mountain National Park in Manitoba. In addition to the road projects referred to, numerous other useful works were carried on, such as construction and improvement of recreational areas, and camp ground extensions and improvements, reclamation of low land, underbrushing and clearing, and erection of structures. Works were carried out in the Kootenay and Yoho National Parks in British Columbia, in Banff, Jasper, Elk Island and Waterton Lakes Parks in Alberta, in Prince Albert Park in Saskatchewan and in Riding Mountain Park in Manitoba.

The following statement shows the amount of advances made for the relief of single homeless persons as at Mar. 31, 1934, together with the amount of accounts received and approved, and the balances outstanding against further accounts in course of submission:

Provinces	Total Advances (Including Balances Outstanding From Previous Advances) $	Expenditures Credited $	Balances To Be Accounted For $
Manitoba	485,000.00	366,406.73	118,593.27
Saskatchewan	257,315.61	185,149.15	72,166.46
Alberta	335,000.00	188,008.77	146,991.23
British Columbia	840,000.00	839,586.13	413.87
	1,917,315.61	*1,579,150.78	338,164.83

* Includes expenditures incurred under authority of the Relief Act 1932 credited to advances made under the Relief Act 1933.

The following table shows a classification of the Direct Relief accounts paid under the Relief Act, 1933, to Mar. 31, 1934 (this and all other information covering the Act taken from the Government Report):

Direct Relief, 1933-34

Province	Fuel $	Food $	Clothing $	Shelter $	Cash $	Total Expenditure By Dominion, Province and Municipalities $
P.E.I.	3,926	16,103	.....	.....	20,660	40,689
% of total...	(9.65)	(39.57)	.....	.....	(50.78)	100%
N.S.	119,720	1,327,646	43,413	63	.....	1,490,843
% of total...	(8.03)	(89.05)	(2.91)	(0.01)	.....	100%
N.B.	45,064	504,070	16,806	42,257	.....	608,196
% of total...	(7.41)	(82.88)	(2.76)	(6.95)	.....	100%
Que.	609,431	4,470,943	436,370	816,786	669,819	7,003,523
% of total...	(8.70)	(63.84)	(6.23)	(11.66)	(9.56)	100%
Ont.	1,815,842	13,923,061	1,607,979	3,391,187	21,937	20,760,007
% of total...	(8.74)	(67.07)	(7.75)	(16.34)	(0.10)	100%
Man.	432,268	2,305,491	275,396	1,201,907	.....	4,215,062
% of total...	(10.26)	(54.70)	(6.53)	(28.51)	.....	100%
Sask.	1,027,936	2,051,783	705,987	318,403	340	4,104,448
% of total...	(25.04)	(49.99)	(17.20)	(7.76)	(0.01)	100%
Alta.	102,164	1,442,982	80,971	521,008	.....	2,147,124
% of total...	(4.76)	(67.21)	(3.77)	(24.26)	.....	100%
B.C.	122,666	2,165,472	213,631	398,863	1,573,148	4,473,780
% of total...	(2.74)	(48.40)	(4.78)	(8.92)	(35.16)	100%
	4,279,017	28,207,551	3,380,554	6,690,474	2,285,904	44,843,672
% of total Expenditure ..	(9.54)	(62.90)	(7.54)	(14.92)	(5.10)	100%

Included in the above table should be a Miscellaneous item for the Province of Quebec for $173, with percentage of total of 0.01.

Provision was made for assistance to the Provinces of Manitoba, Saskatchewan and Alberta in respect of relief expenditures in the drought areas of these Provinces. In the two latter Provinces Dominion contributions were authorized toward the cost of moving settlers from dried out areas, and in all three Provinces Dominion contributions were authorized toward the cost of the transportation of live stock from these areas to areas where feed could be provided and toward the cost of freight on fodder transported to the drought areas.

Arrangements were continued with the Canadian Passenger Association whereby a reduced fare was granted on railways from urban centres to relief camps established by the Dominion and the Provinces; and for the movement of unemployed farm help from urban centres to farms under arrangements made by Provinces, municipalities and farmers, whereby farm help would be given employment. The special rate arranged was one and one-half cents per mile.

The accompanying table shows expenditures for the railway transportation and the amount collected by the Dominion from the Province under the Relief Act, 1933, as at Mar. 31, 1934:

Province	Total Accounts Paid $	Provincial Proportion $	Collected From Province $	Balance Collectable From Province $
Manitoba	11,076.39	5,538.25	5,538.25	.....
Saskatchewan	5,757.11	2,878.62	2,495.95	382.67
Alberta	3,383.68	1,691.85	1,691.85	.....
British Columbia	3,637.27	1,818.58	1,698.79	119.79
	23,854.45	11,927.30	11,424.84	502.46

This does not include transportation charges in respect of Federal relief camps.

Loans to Western Provinces. Under authority of section 2 (*a*) of the Relief Act, 1933, the Dominion Government assisted certain of the Provinces by way of loans, or advances, in order to finance maturing obligations which the Provinces were at the time unable to refinance, and, also, in order that speedy and unhampered prosecution of the measures instituted to relieve distress and provide employment might be continued. The following statement as at Mar. 31, 1934, shows the amounts loaned to Provinces under authority of Orders-in-Council passed pursuant to the Relief Act, 1933, the purpose for which loans were made, and renewals of loans outstanding Mar. 31, 1933, less cash repayments and credits applied during the year. All loans were secured by Treasury bills of the Province bearing interest at 5½ per cent. to May 1, 1933, and 5 per cent. thereafter payable half-yearly:

Province of Manitoba—

Loan to cover Dominion's share of relief expenditures in drought area against which credits apply as accounts received and become approved	$ 50,000.00	
Loan to cover provincial and/or municipal share of relief expenditures in drought area	100,000.00	
Loans to cover provincial share of direct relief expenditures	614,000.00	
Loan to meet debenture maturity of April 1, 1934, payable in Canada or New York	1,470,000.00	
	$ 2,234,000.00	
Net loans outstanding, March 31, 1933	7,960,715.40	
	$10,194,715.40	
Less cash repayments and credits applied during 1933-34	107,941.06	
Net loans outstanding March 31, 1934		$10,086,774.34

Province of Saskatchewan—

Loans to cover Dominion's share of Direct Relief expenditures against which credits apply as accounts received and become approved	$ 3,200,000.00	
Loans to cover provincial and/or municipal share of Direct Relief and capitalization of interest on Treasury bills held by the Dominion	3,331,050.75	
	$ 6,531,050.75	
Net loans outstanding March 31, 1933	18,512,897.02	
	$25,043,947.77	
Less cash repayments and credits applied during 1933-34	1,075,390.26	
Net loans outstanding March 31, 1934		$23,968,557.51

Province of Alberta—

Loan to cover provincial share of direct relief expenditures	$ 500,000.00	
Loans to cover provincial and/or municipal relief expenditures	1,600,000.00	
Loan to meet debentures maturity of April 1, 1934, payable in Canada or New York	1,968,524.31	
	$ 4,068,524.31	
Net loans outstanding March 31, 1933	5,999,781.43	
	$10,068,305.74	
Less credits applied during 1933-34	17,781.43	
Net loans outstanding March 31, 1934		$10,050,524.31

Province of British Columbia—

Loans to cover Dominion's share of direct relief expenditures against which credits apply as accounts received and become approved	$ 2,000,000.00
Loans to cover direct relief expenditures of certain municipalities	100,000.00
Loans to enable province to meet its interest obligations	1,435,000.00
	$ 3,535,000.00
Net loans outstanding March 31, 1933	5,725,760.35
	$ 9,260,760.35
Less cash repayments and credits applied during 1933-34	1,876,841.59
Net loans outstanding March 31, 1934	$ 7,383,918.76

Dominion Government Relief Guarantees. Certain guarantees, under authority of Section 2 (a) and (b) of The Relief Act, 1933, were given by the Dominion Government during the year 1933-34; the Orders-in-Council setting forth the provisions of the guarantee (supplied by the Department of Finance) are as follows:

Province of British Columbia—*P.C. 1078,* June 2, 1933: guaranteeing payment of Treasury bills of the Province of British Columbia amounting to $626,534, bearing interest at the rate of 5 per cent. per annum, issued in connection with the payment of obligations of the Province in New York.

Province of Manitoba—*P.C. 1077,* June 2, 1933: guaranteeing payment of Treasury bills of the Province of Manitoba amounting to $5,894,127.49, bearing interest at the rate of 5 per cent. per annum, issued in connection with the payment of obligations of the Province in New York.

Algoma Steel Corporation, Ltd.—*P.C. 1285,* June 28, 1933: guaranteeing repayment of bank advances not exceeding $660,000, and interest thereon, to the receivers and managers of the Algoma Steel Corporation, Ltd., in connection with the manufacture of 30,000 tons of steel rails for the Canadian National Railways; and *P.C. 1526,* July 27, 1933; authorizing payment by the Government of interest on such guaranteed advances at 5 per cent. per annum.

Dominion Steel and Coal Corporation, Ltd.—*P.C. 1076,* June 2, 1933: guaranteeing repayment of bank advances, not exceeding $1,100,000, and interest thereon, to the Dominion Steel and Coal Corporation, Ltd., in connection with the manufacture of 50,000 tons of steel rails for the Canadian National Railways; and authorizing payment by the Government of Canada of interest on such guaranteed advances at 5 per cent. per annum.

Canadian Pacific Railway Company—*P.C. 2490,* November 29, 1933: guaranteeing repayment of loans, and interest thereon, amounting to $60,000,000, made by chartered banks to the Canadian Pacific Railway Company; the said loans being secured by $100,000,000 par value of Canadian Pacific Railway 4 per cent. Perpetual Consolidated Debenture Stock.

Wheat Marketing—*P.C. 685,* April 12, 1933: supplementing the guarantees authorized in 1931 and 1932 arising out of the marketing of the 1930 crop, this Order-in-Council guaranteed repayment of such further advances and interest thereon as may be made by chartered banks to Canadian Co-operative Wheat Producers, Limited, subsequent to Mar. 31, 1933, in respect of contracts already acquired or contracts in substitution for or in addition to existing contracts for delivery of wheat and other grains, in order to secure the advantageous sale or disposition of such grains and contracts.

1932 Wheat Crop—*P.C. 746,* April 20, 1933: supplementing the guarantee authorized in 1932, this Order-in-Council guaranteed repayment of such further advances and interest thereon, as may be made by chartered banks to the Manitoba Wheat Pool, the Saskatchewan Co-operative Wheat Producers, Ltd., and the Alberta Wheat Pool, and subsidiaries of each, subsequent to Mar. 31, 1933, in connection with the marketing of wheat and other grains grown in 1932.

Beauharnois Light, Heat and Power Company—*P.C. 1101,* June 6, 1933: by this Order-in-Council, the guarantee authorized under the Relief Act, 1932, was amended so as to relate to the guarantee against loss, in respect of bank

advances of $15,538,500 and interest thereon, upon sale or realization of First Mortgage Bonds of the Beauharnois Light, Heat and Power Company, to the amount of $16,807,463 par value, accepted in satisfaction of such advances.

Land Settlement Relief. The following table gives the reports received from the Provinces, with the Dominion contribution, with regard to the number of settlers approved as at Mar. 31, 1934, under the two year agreements for land settlement expiring Mar. 31, 1934. which were contained in the Relief Act, 1932. This plan, entered into by all the Provinces except Prince Edward Island, provided for a measure of self-sustaining relief to families in need by placing them on the land, the expenditure for any one family not to exceed $600 for the two years. Of this amount the Dominion contribution was one-third, the remainder being contributed by the Province and Municipality concerned.

Province	*Dominion Contributions $ cts.	Number of Settler Families	Number of Individuals
Nova Scotia	4,900.00	302	1,902
Quebec	88,235.17	814	4,938
Ontario	20,564.60	362	1,833
Manitoba	56,363.49	443	2,102
Saskatchewan	37,189.42	503	2,356
Alberta	47,789.66	361	1,731
British Columbia	6,604.33	51	279
	261,646.67	2,836	15,141

* Not including expenditures which may have been made prior to March 31, 1934, but for which accounts have not been received.

Recapitulation of Dominion Disbursements Under Relief Legislation as at Mar. 31, 1934

Province, etc.	1930 Act $ cts.	1931 Act $ cts.	1932 Act $ cts.	1933 Act $ cts.	Total $ cts.
Prince Edward Island	95,199.45	136,171.59	25,126.68	16,422.87	272,920.59
Nova Scotia	836,179.81	1,084,281.13	536,063.16	931,272.03	3,387,796.13
New Brunswick	503,689.87	768,982.72	222,074.33	462,286.46	1,957,033.38
Quebec	3,465,992.71	5,502,896.29	3,977,604.45	2,635,059.93	15,581,553.38
Ontario	4,692,650.50	11,119,811.86	7,810,314.55	8,216,112.44	31,838,889.35
Manitoba	1,632,926.00	3,365,885.00	1,744,612.27	1,887,955.92	8,631,379.19
Saskatchewan	1,919,280.92	2,973,134.38	1,132,264.06	827,158,81	6,851,838.17
Saskatchewan Relief Commission	.....	5,372,971.30	4,459,919.11	830,269.16	10,663,159.57
Alberta	1,286,778.89	3,060,574.50	1,275,479.24	954,887.49	6,577,720.12
British Columbia	1,376,331.11	3,954,621.29	3,226,526.91	2,531,702.65	11,089,181.96
	15,809,029.26	37,339,330.06	24,409,984.76	19,293,127.76	96,851,471.84
Dept. Public Works	.....	1,726,732.64	6,904.43	.....	1,733,637.07
Dept. National Defence	.....	70,941.06	423,166.50	4,829,160.19	5,323,267.75
Dept. Interior (Inc. Yukon)	56,994.66	876,125.73	*655,221.06	1,133,855.39	2,722,196.84
Dept. Railways and Canals	.....	1,772,725.74	.....	14,962.30	1,787,688.04
Dept. Justice	.....	83,180.55	.....	.....	83,180.55
Dept. Agriculture	.....	6,999.79	3,000.00	.....	9,999.79
National Battlefields Commission	.....	24,809.05	.....	.....	24,809.05
Board Railway Commissioners	500,000.00	500,000.00	.....	.....	1,000,000.00
C.P.R.	863,550.00	209,196.98	.....	.....	1,072,746.98
C.N.R.	882,412.35	.....	.....	.....	882,412.35
Transp. of Unemployed	.....	45,065.90	11,513.46	12,429.61	69,008.97
Agricul. Stabilizn. Fund	.....	.....	.....	35,218.97	35,218.97
Dept. Trade and Com.	.....	.....	.....	29,534.56	29,534.56
Dept. Finance	.....	.....	.....	1,800.00	1,800.00
Auditor General's Office Travelling Expenses.	.....	.....	.....	1,500.38	1,500.38
Administration	43,061.97	85,203.51	67,576.14	82,497.91	278,339.53
Total	18,155,048.24	42,740,311.01	25,577,366.35	25,434,087.07	111,906,812.67
Paid during fiscal year 1933-1934	2,654.86	557,615.57	7,421,924.16	25,434,087.07	33,416,281.66

* Includes $103,232.56 recoverable from Provinces.

The Department of Labour During 1933-34

The Report of the Department for the fiscal year ended Mar. 31, 1934, covered the operation of the Unemployment Offices Co-ordination Act, fair wages and the cost of living, industrial disputes, accidents in industry, the operation of the Combines Investigation Act, old age pensions, Government annuities, Government disbursements and commitments under Unemployment Relief measures and International Labour organizations.

Under the Employment Offices Co-ordination Act, uniform agreements were concluded during the year 1933-34 with all the Provincial Governments except that of Prince Edward Island. The sum of money which was specified in the agreements as being available for payment by the Department of Labour to the Provinces was the statutory provision of $150,000, to be distributed amongst them in proportion to their expenditures on public employment office administration and operation. During the fiscal year the number of centres at which offices were conducted decreased from 67 to 66 by the closing of the offices at Fort Frances, Ont., and Dauphin, Man., and the opening of an office at Fredericton, N.B. The eight clearing houses established throughout Canada for the purpose of co-ordinating the efforts of the various local offices and to facilitate the transfer of any kind of labour from districts over-supplied to those where a dearth existed, were situated at Montreal, Toronto, Winnipeg, Regina, Edmonton and Vancouver for Provincial clearances and at Ottawa and Winnipeg for inter-Provincial clearances—these latter two operated by the Department at Ottawa in the interests of the Employment Service of Canada. During the year 1933-34 there was a total of 704,110 applications for employment according to the Report from the offices of the Employment Service of Canada in the various Provinces; this compared with a total of 633,170 for the year 1932-33. Of the 1933-34 total, 143,871 were women and 560,239 were men, as compared to 144,211 and 488,959, respectively, for the preceding year. The vacancies in regular and casual employment, as reported by the offices in the various Provinces for the year 1933-34, totalled 395,191, made up of 89,951 vacancies for women and 305,240 for men, as compared to a total of 340,718 (83,600 women and 257,118 men) for the year 1932-33. The total placements for the year 1933-34 were 376,651: 74,954 women and 301,697 men. This total was made up of casual and regular placements as follows: 191,741 casual (29,996 women and 161,745 men) and 184,910 regular (44,958 women and 139,952 men).

Wages and Cost of Living, 1934. Wages in the building trades in 1934 showed decreases in some trades in certain cities but no general downward tendency appeared. In some cases there were increases so that the average decrease was about 3 per cent. In the metal trades, down less than one per cent., the year 1934 witnessed comparatively few changes, with some increases, as compared to the two preceding years 1932 and 1933 which had averaged 5 per cent. and 3 per cent. decreases, respectively. The printing trades showed an average decrease in 1934 of less than one per cent. In the electric railway service 1934 saw very few changes in the wage scale so that the index member was practically unchanged. In steam railway employment, at the end of 1934 it had been arranged that the general reduction of 15 per cent. of 1933 would be changed to one of 12 per cent. in January, 1935, and to 10 per cent. on May 1, 1935; in 1933, earnings of employees in engine, train and telegraph service had been subjected to a deduction of 20 per cent. from May to October, inclusive, and 15 per cent. thereafter; the deduction for most of the other classes had been increased to 15 per cent. in December. The year 1934, in the coal mining industry, saw partial restorations of wage reductions which had been made in certain districts during the previous years, some increases in other districts, and, in New Brunswick, decreases in the scale: the index number, therefore, for the whole of Canada, showed a slight increase for the year. Although the index number for 1901 to 1934 did not include New Brunswick, Saskatchewan and the Princeton district in British Columbia, the inclusion of these figures for 1934, when weighted according to numbers of miners employed, would make no change in the result. In factory labour

during 1934 there were numerous increases in nearly all of the manufacturing industries but comparatively few decreases so that the index number rose by nearly 3 per cent. In logging and sawmilling substantial increases in wages were general so that the index number rose by about 20 per cent.

Index Numbers of Rates of Wages for Various Classes of Labour in Canada, 1913-1934

(Rates in 1913=100)

Year	Building Trades (*a*)	Metal Trades (*b*)	Printing Trades (*c*)	Electric Railways (*d*)	Steam Railways (*e*)	Coal Mining (*f*)	*Average	Common Factory Labour	Miscellaneous Factory Trades (*g*)	Logging and Sawmilling (*g*)
1913	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
1914	100.8	100.5	102.4	101.0	101.4	101.9	101.3	101.0	103.2	94.7
1915	101.5	101.5	103.6	97.8	101.7	102.3	101.4	101.0	106.2	89.1
1916	102.4	106.9	105.8	102.2	105.9	111.7	105.8	110.4	115.1	109.5
1917	109.9	128.0	111.3	114.6	124.6†	130.8	119.9	129.2	128.0	130.2
1918	125.9	155.2	123.7	142.9	158.0	157.8	143.9	152.3	146.8	150.5
1919	148.2	180.1	145.9	163.2	183.9	170.5	165.3	180.2	180.2	169.8
1920	180.9	209.4	184.0	194.2	221.0	197.7	197.9	215.3	216.8	202.7
1921	170.5	186.8	193.3	192.1	195.9	208.3	191.2	190.6	202.0	152.6
1922	162.5	173.7	192.3	184.4	184.4	197.8	182.5	183.0	189.1	158.7
1923	166.4	174.0	188.9	186.2	186.4	197.8	183.3	181.7	196.1	170.4
1924	169.7	175.5	191.9	186.4	186.4	192.4	183.7	183.2	197.6	183.1
1925	170.4	175.4	192.8	187.8	186.4	167.6	180.1	186.3	195.5	178.7
1926	172.1	177.4	193.3	188.4	186.4	167.4	180.8	187.3	196.7	180.8
1927	179.3	178.1	195.0	189.9	198.4	167.9	184.8	187.7	199.4	182.8
1928	185.6	180.1	198.3	194.1	198.4	168.9	187.4	**187.1**	**200.9**	**184.3**
1929	197.5	184.6	202.3	198.6	204.3	168.9	192.7	187 8	202.1	185.6
1930	203.2	186.6	203.3	199.4	204.3	169.4	194.4	188.2	202.3	183.9
1931	195.7	182.9	205.1	198.6	199.2‡	169.4	191.8	183.4	197.3	163.0
1932	178.2	174.7	194.2	191.1	183.9	164.0	181.4	173.6	184.3	141.3
1933	158.0	169.2	184.3	182.7	179.7	161.9	172.6	168.1	175.7	121.7
1934	154.8	168.0	183.5	182.4	173.7	162.9	170.9	170.8	180.5	145.1

* Simple average of six preceding columns.

† Including some increases effected near the end of the year.

‡ Including a ten per cent. decrease for certain classes toward the end of the year.

(*a*) Seven trades from 1901 to 1920, eight from 1921 to 1926, nine for 1927 to 1934; 13 cities to 1927, 14 cities to 1930, thereafter 32 to 42 cities.

(*b*) Five trades from 1901 to 1926, four for 1927 to 1934.

(*c*) Two trades from 1901 to 1920, four for 1921 and 1922, six from 1923 to 1934.

(*d*) Two classes from 1901 to 1920, five classes 1921 to 1934.

(*e*) Twenty-three classes.

(*f*) Four classes 1901 to 1920, twelve classes 1921 to 1934.

(*g*) The number of samples (and industries) increased each year 1920 to 1930; machine operators, helpers, etc., also included.

The movement in prices in the principal countries of the world during 1934 was not uniform as in the immediately preceding years, according to a Supplement to *The Labour Gazette*, issued in February, 1935. In 1930 and the two years following there had been a general downward movement in wholesale prices, the low point in most countries having been reached before the middle of 1933. Thereafter, in some countries, there was an upward movement which continued during 1934. Notably in France, Belgium, Poland, Italy and Czechoslovakia, prices continued during 1934 in the downward movement of the preceding five years with only minor interruptions. In France, the decline from the end of 1933 was 9 per cent.; in Belgium, 4 per cent.; in Poland, 6 per cent.; and in Czechoslovakia, 13 per cent. A similar comparison shows an advance ranging from 1 and 3 per cent. in Canada, Great Britain, Austria, Norway, Sweden and New Zealand. A somewhat greater increase was experienced in Germany, Denmark, Japan and Australia, while in the United States it was 8 per cent. and in Hungary, 17 per cent. The following table brings down to the end of 1934 the index number of changes in the cost of living in Canada, based on prices in 1930 as 100, and it shows the percentage changes in the principal groups of expenditure for workingmen's families in cities since 1913. The figures for food are calculated from the cost of the food group in the weekly family budget. For the fuel and light group each

month the index number is calculated from the cost of coal, wood, coal oil, gas and electricity, the figures for the last two being weighted according to population, differences in rates in the various cities being greater in these items than in the others. An index number for rent is calculated for each city from the rates for six-roomed houses with modern conveniences, the Dominion average being weighted according to population in each city. The index numbers for clothing and sundries were calculated from the prices and costs of the various items from 1913 to 1926, weighted according to the importance of each item in workingmen's family expenditure, and have been brought down to date each month from data compiled by the Dominion Bureau of Statistics.

Changes in the Cost of Living in Canada from 1913 to 1934*

(Average Prices in 1913=100)

	Food	Fuel and Light	Rent	Clothing	Sundries	All Items*
Dec. 1914	108	98	97	103	100	103
Dec. 1915	111	96	94	115	110	107
Dec. 1916	138	109	95	136	122	124
Dec. 1917	167	125	102	158	134	143
Dec. 1918	186	146	111	185	151	162
Dec. 1919	201	148	122	210	164	176
Dec. 1920	202	200	142	232	173	190
Dec. 1921	150	172	150	177	173	161
Dec. 1922	142	177	155	162	174	157
Dec. 1923	146	172	158	164	171	159
Dec. 1924	144	162	158	159	169	156
Dec. 1925	157	166	158	159	166	160
Dec. 1926	152	162	156	157	166	157
Dec. 1927	152	158	156	155	166	157
Dec. 1928	154	157	157	157	166	158
Dec. 1929	161	157	158	156	166	160
Dec. 1930	138	156	160	148	165	151
Dec. 1931	107	152	158	127	163	135
Dec. 1932	96	145	141	114	161	125
Mar. 1933	91	145	141	112	160	122
June	93	142	131	107	160	120
Sept.	99	141	131	113	156	122
Dec.	100	142	129	113	157	123
Jan. 1934	102	142	129	113	157	123
Feb.	104	142	129	113	157	124
Mar.	109	143	129	113	156	126
April	106	143	129	113	156	125
May	103	142	128	113	156	123
June	101	141	128	113	156	122
July	101	141	128	113	155	122
Aug.	102	141	128	113	155	123
Sept.	102	142	128	117	155	123
Oct.	103	142	128	117	155	124
Nov.	103	143	129	117	154	124
Dec.	103	144	129	115	154	123

* The figures for "all items" were calculated by giving the following weights to each group: Food, 35 per cent.; Fuel, 8 per cent.; Rent, 18½ per cent.; Clothing, 18½ per cent.; Sundries, 20 per cent.

Wholesale Prices, 1934. The movement of wholesale prices was relatively slight in 1934 as compared with that in recent years but was marked by further improvement in many of those commodities which had suffered most from the decline between 1929 and February, 1933, namely primary products. According to *The Labour Gazette Supplement*, the "all commodities" index advanced about 4½ per cent. during January and February, 1934. Part of this gain was lost during the next three months, followed by recovery until August. At the end of the year the index was 3 per cent. above December, 1933. The index for raw and partly manufactured goods advanced from 58.9 in December, 1933, to 64.3 in December, 1934, or 9 per cent., while that for fully and chiefly manufactured goods rose from 72.0 to 72.7 or only 1 per cent. in the same period. Consumers' goods were practically unchanged at the end of 1934 from the level of December, 1933, an advance in the food group being offset by declines in clothing and household equipment and supplies. Producers' goods, however, were 5 per cent. higher at the end of the year

than at the end of 1933, influenced in part by higher prices for Producers' equipment and building materials but mainly because of higher prices for manufacturers' materials, chiefly for the meat packing and milling industries. In the grouping according to chief component materials, the Vegetable Products group and the Animals and their Products group recorded the greatest advances by the end of the year, the former mainly because of higher prices for grains and milled products and in spite of substantially lower prices in sugar and its products, tobacco and vegetables, and the latter chiefly because of higher prices for live stock. In the Non-Ferrous Metals group antimony and silver were considerably higher, while aluminum, copper, lead, tin and zinc were lower, with the result that this group was lower at the end of the year. In the Fibres, Textiles and Textile Products group the principal increases were in raw cotton, cotton yarn, knit goods and wool blankets, and the principal declines in silk fabrics, artificial silk products and raw wool. Changes in the other groups, namely Wood, Wood Products and Paper, Iron and its Products, Non-Metallic Minerals and Chemicals and Allied Products were slight.

Wholesale Prices of Certain Commodities, 1929-1934

Commodities	Unit	Dec. 1929	Dec. 1930	Dec. 1932	Dec. 1933	Dec. 1934
		$	$	$	$	$
Oats	bush.	0.634	0.267	0.210	0.298	0.442
Wheat	bush.	1.378	0.554	0.424	0.603	0.792
Flour	bbl.	8.600	5.355	4.400	5.200	5.400
Sugar, raw	cwt.	2.000	1.350	0.934	1.186	0.000
Sugar, granulated	cwt.	5.270	4.655	4.180	6.370	4.895
Rubber, raw	lb.	0.161	0.089	0.038	0.088	0.128
Cattle, good steers	cwt.	9.630	7.360	4.100	5.090	5.380
Hogs, bacon	cwt.	11.940	10.450	3.970	6.480	8.120
Hides, beef	lb.	0.145	0.095	0.048	0.095	0.105
Sole leather	lb.	0.430	0.410	0.260	0.340	0.000
Butter, creamery	lb.	0.430	0.332	0.238	0.252	0.226
Cheese	lb.	0.280	0.250	0.180	0.160	0.150
Eggs, fresh	doz.	0.678	0.603	0.406	0.403	0.389
Cotton, raw	lb.	0.183	0.107	0.082	0.116	0.143
Cotton yarns	lb.	0.357	0.250	0.210	0.270	0.310
Gingham	lb.	1.017	0.994	0.959	0.959	0.959
Wool, raw	lb.	0.240	0.160	0.090	0.195	0.140
Pulp, groundwood	ton	29.470	27.750	19.650	21.940	19.826
Pig iron, malleable	ton	22.000	19.000	19.000	19.000	19.000
Steel bars	100 lb.	2.400	2.250	2.250	2.250	2.250
Copper	cwt.	19.750	12.200	7.021	9.068	7.428
Lead	cwt.	6.500	4.930	3.386	3.903	3.220
Spelter	cwt.	6.000	4.570	3.971	4.720	3.665
Coal, anthracite	ton	13.470	13.220	13.328	12.454	12.454
Coal, Nova Scotia	ton	6.000	6.000	5.250	5.250	5.250
Gasolene	gal.	0.195	0.185	0.180	0.185	0.150

Industrial Disputes Investigation Act. Applications for the establishment of Boards of Conciliation and Investigation received by the Registrar in charge of the Act during the fiscal year 1933-34 numbered seventeen; twenty disputes, however, figure in the record, proceedings having been continued over from the preceding fiscal year in three cases. Over 48,000 employees were directly concerned in these disputes, which were distributed amongst different industries as follows: steam railways, five; street and electric railways, four; shipping, four; telegraphs, four; and light and power, three. Eleven boards were established, two of which dealt with two applications each. All but three of these boards reported during the fiscal year. Reports were received also from two boards established during the preceding period. No interruption of work occurred following the award of a Board of Conciliation and Investigation.

Boards were not granted in the case of five applications before the department during the fiscal year, mediation by departmental officials having resulted in the settlement of four of these disputes, and one application being under consideration when the fiscal year closed.

Analysed by causes, fifteen of the twenty applications dealt with during the year related to disputes arising out of wage reductions proposed by employers, the suggested decreases being in the majority of cases additional to

reductions already effected during a three-year period. Requests of employees for increased wages and changed working conditions were stated to be the cause of two disputes, the proposed increase in one case constituting restoration of rates previously reduced. Of the three remaining disputes, two related to certain conditions of employment and the third to the alleged unjust suspension and dismissal of an employee.

Strikes and Lockouts. A review of disputes by industries covering the year 1934 in *The Labour Gazette* of February, 1935, stated that the majority of striking employees had been successful or partially so during the year. In the agricultural field the only strike in 1934 was one involving hop workers in British Columbia, only one day being lost although the dispute was not settled for over a week during which rain prevented work. In logging, the time loss in 1934 was one-third of the total for the year, the most important disputes being in Vancouver Island, involving over 2,000 workers, January—May; the employers had made some wage increases and the minimum scale set by the Provincial authority in May under the Male Minimum Wage Act, 1934, raising the rates paid to the lower-paid workers, led to termination of this dispute. Two disputes in Northern Ontario in the Kapuskasing and Sault Ste. Marie districts, for increased wages, improved conditions, and recognition of camp committees in September and October, terminated in favour of the employers. The only strike in fishing and trapping was one of salmon fishermen in Vancouver Island for a few days in May, their demand for an increase in piece rates being unsuccessful. The 28 disputes in the mining industry included 26 of coal miners and two of metal miners. The latter involved over 1,000 miners at Flin Flon, Man., from June 11 to July 14, demanding the restoration of a wage scale reduced some time previously, the eight-hour day and recognition of the Mine Workers' Union of Canada. A similar dispute occurred at Noranda, P.Q., but only a small number of employees ceased work and those were replaced within a few days. The most important of the coal-mining disputes was in Pictou county, N.S., involving 1,300 miners from the end of February to the middle of May; a compromise was effected through the intervention of the Provincial authorities. A strike of coal miners at Cumberland, Vancouver Island, involving over 400 miners for two weeks in November, secured for the miners some concession. In the manufacturing industry clothing factories were affected by 40 disputes which involved over 18,000 workers, causing nearly 200,000 days' time loss, or one-third of the total loss. A strike of men's clothing factory workers in Montreal in July involved 4,000 workers for two weeks, and there were two disputes involving women's clothing factories in the same city in August, involving about the same number for a month. In Toronto, there were four important disputes, involving women's clothing factories. These strikes were called to secure and to enforce Union agreements with improved conditions. There were also numerous disputes in furniture and woodworking factories and in boot and shoe factories. In other manufacturing industries, the only numerous disputes were in pulp and paper, where there were three strikes for the partial restoration of previous wage reductions. As in 1933 there were very few disputes in construction and none involving many workers for prolonged periods. In transportation and public utilities, the only disputes involved men engaged in loading boats, chiefly pulpwood and timber, demanding increased wages. Three out of the four trade disputes recorded involved rag sorters and scrap metal workers, the other involving poultry pickers. A strike of radio station musicians in Montreal, P.Q., and a sympathetic strike affecting somewhat a number of stations throughout Canada were the only service disputes of importance. There was also a number of strikes in restaurants in Toronto, Ont., for union wages and conditions.

The total number of disputes during 1934 was 191, involving 45,800 workers, with a loss of 574,519 man-working days.

Accidents in Industry. Two of the most serious accidents in industry during the year 1933 occurred in logging, one of them at Lac Creux,

Que., on May 20, when several sticks of dynamite exploded on a craft on which a party of men had set out to blow up a pile of logs which was obstructing logging operations. Seven log drivers were killed by the force of the explosion which resulted from a detonator cap dropping into the load of dynamite. The other major logging accident was on the Salmon River, near St. Martins, N.B., on Oct. 26, when seven log drivers were trapped on a sand bar by rapidly rising waters following heavy rains and were drowned on attempting to cross the river. Other accidents reported to the Government were: the death of six employees caused by a fire in a match factory at Hull, Que., on Mar. 15; five women were burned to death and one man died from burns a month later; three miners were crushed under a rock slide at Flin Flon, Man., on Feb. 27; three trainmen were killed at Acadieville, N.B., on Jan. 29, when an engine collided with a snow plough; three airmen lost their lives while engaged in forestry patrol when a plane crashed into Emma Lake, Sask., on June 21; three workers in an explosives factory lost their lives following an explosion of nitroglycerine, at Beloeil, Que., on July 19; three men were drowned from a boat while preparing a regatta course near St. Catharines, Ont. on July 26; and three plumbers were burned to death when a steam pipe exploded at Toronto on Nov. 27.

The classification of fatal accidents of which the total was 773 according to causes showed that the largest number, 229, came under the category, "by moving trains, vehicles, etc.;" the largest number of accidents thus caused, 62, appear under the heading, automobiles and other power vehicles and implements; "falls of persons" caused 115 fatalities; "falling objects," 115; "dangerous substances," 107; animals, 29 and 77 fatalities were from other causes.

Fatal accidents according to Provinces show that the largest number, 247, occurred in Ontario. There were 185 in Quebec, 113 in British Columbia, 67 in Nova Scotia, 48 in Saskatchewan, 46 in Alberta, 29 in New Brunswick, 24 in Manitoba, 7 in Prince Edward Island and 7 in the Yukon and North West Territories. By industries, there were 154 fatalities in transportation and public utilities; in agriculture, 111; in mining, non-ferrous smelting and quarrying, 107; in manufacturing, 96; in logging, 87; in construction, 64; in service, 57; in trade, 48; in fishing and trapping, 31; in electric light and power, 15; and in finance, 3.

Combines Investigations Act. No Reports of investigations were made public after Apr. 1, 1933, with the exception of the Report of an investigation into an alleged combine of tobacco manufacturers. A Report on the importation and distribution of British Anthracite Coal was completed on Apr. 21, 1933, but was not made public. It was referred to the Attorney-General at Quebec for action, most of the material contained in the Report being used in the trial which followed. Judgment was given against five of the Coal Companies in December, 1933, and the appeal against their conviction was dismissed by a unanimous judgment of the Court of Appeal in October, 1934. The trial of the remaining companies was commenced in Quebec City at the end of the month. (See *The Canadian Annual Review, 1933*, p. 186, and pp. 451-2).

The Report of the Hon. D. M. Sutherland (Minister of National Defence) after an investigation into an alleged combine of tobacco manufacturers and other buyers of raw leaf tobacco as grown in Norfolk, Oxford and Elgin counties in the Province of Ontario, was tabled in the House of Commons on Apr. 9, 1934. It particularly concerned the 1932 crop of tobacco. No finding was made that a combine existed but it was suggested in the Report that there was an understanding among buyers of raw leaf tobacco in Western Ontario which was operating against the interests of tobacco growers.

In the case in review, Mr. Sutherland stated in his Report: "There is a complete absence of any semblance of an organization of any kind on the part of the tobacco growers for an orderly marketing of leaf tobacco, except in the case of the few companies or syndicates growing tobacco on a large

scale. . . . . The absolute dependence of the growers on the tobacco companies under these circumstances entitles them to open and above-board treatment and a fair price for their products. That the confidence heretofore placed in the tobacco buyers no longer exists is evident from the allegations made and the demands for an investigation, and further, from the steps taken in the movement now underway to form a co-operative marketing organization to process and dispose of future crops."

"The long-delayed opening of the market which took place on Oct. 26 (1932) had the appearance of collusion in deferring the time of buying, as the principal buyers were in the field almost simultaneously on that date," the Report stated. "The approximate average of prices paid from day to day from the date of opening the market until Nov. 7 (1932), when the average price had decreased to about one-half the average of the first day's purchases, together with the fact that an increase in prices paid from that date until Nov. 21 (1932) when the prices were nearly as high as the average at the opening of the market, although the best quality of tobacco is usually purchased first, also suggested an understanding among buyers which was operating against the interests of tobacco growers." Mr. Sutherland made his findings to F. A. McGregor, Registrar, Combines Investigation Act.

Old Age Pensions; Government Annuities. Under the terms of the Act 75 per cent. of Provincial disbursements for old age pensions was paid each year by the Dominion Government; the maximum amount of pension payable was $240 per annum, subject to a reduction of the amount of a pensioner's income in excess of $125 yearly—there were also other reductions in certain instances. During the fiscal year 1933-34 the total expenditure in Canada for old age pensions was $16,566,117 in respect of which amount the Dominion Government's contribution to the Province aggregated $12,313,595. At the close of the fiscal year 1933-34 a total of 86,873 persons were in receipt of old age pensions in Canada, as compared with 71,705 pensioners at the end of the previous year.

From Sept. 1, 1908, up to and including Mar. 31, 1934, the total number of annuity contracts issued under the Government Annuities Act, was 18,806; of these contracts, 2,241 had been cancelled, leaving in force on Mar. 1, 1934, 16,565. The total amount of purchase money received during the same period was $43,285,490. During the fiscal year ended Mar. 31, 1934, 1,083 immediate annuities and 1,329 deferred annuities, a total of 2,412, were contracted for, the average amount of an annuity under immediate contracts being $402. The number of annuities in force at Mar. 31, 1934, was: immediate, 6,858, and deferred, 9,707, a total of 16,565. The total amount of immediate annuities in force was $2,844,154, an average of $415 per contract.

Labour Organization in Canada, 1933. The 23rd Annual Report of Labour Organization for the calendar year 1933 was submitted to the Minister of Labour, the Hon. W. A. Gordon, by the Deputy Minister, W. M. Dickson, in May, 1934. The decline of 24,324 in trade union membership in Canada during the three-year period 1931 to 1933, it was pointed out by the Report, was due to the industrial depression to a great extent. With the consequent scarcity of employment great numbers of members of unions had been unable to make payment of the monthly dues and, in the course of time, they had been suspended and their names finally dropped from the records. During the year 1933, owing to the gradual improvement in the employment situation, the total trade union membership in Canada showed a gain of 2,644, but a loss in branches of 18. The total memberships for the year of 111 main organizations with 2,707 local branches, was 286,220. The Report stated that according to information furnished by officers of central organizations, and that secured from Departmental records, the international craft union group, consisting of the Canadian members of 78 organizations, the same as in 1932, had 1,753 branches in the Dominion, a decrease of 60, with a combined membership of 140,801. The One Big Union reported 46 local units in Canada, a loss of 1, with 23,300 members, a loss of 40. The

Industrial Workers of the World reported 8 branches, the same as reported in 1932, with a membership of 3,618, no change. The group of Canadian central organizations, which numbered 34, an increase of 5, had 748 branches, a gain of 47, with a combined membership of 76,062, an increase of 9,069. The National Catholic group consisted of 110 unions, a gain of 1, with a reported membership of 26,894, a gain of 1,894. There were 42 independent units, 5 less than the number recorded for 1932, with a combined membership of 15,545, a gain of 49. According to the official estimated Census figures as of June 1, 1933, trade unionists represented 2.7 per cent. of the population; adding 90,819, the number of members comprised in the non-trade union associations, the organized wage-earners in the Dominion at the close of 1933, represented 3.5 per cent. of the population.

Speaking of revolutionary labour organizations in Canada, the Report stated that during the year 1933 six additional central labour organizations, in affiliation with the Workers' Unity League of Canada, were reported to have been formed as follows: Furniture and Woodworkers' Industrial Union of Canada, Food Workers' Industrial Union of Canada, Railway Workers' Industrial League of Canada, Fishermen's and Cannery Workers' Industrial Union of Canada, Shoe and Leather Workers' Industrial Union, and Cleaners and Dyers and Laundry Workers' Industrial Union of Canada. Including the three industrial unions reported in 1932 as being in affiliation with the League, namely: the Industrial Union of Needle Trades Workers of Canada, the Mine Workers' Union of Canada, and the Lumber Workers' Industrial Union of Canada, the League had, at the end of 1933, nine central organizations with four district councils and twelve directly chartered local unions, and a total membership of 21,253. The constitution of the League, which was adopted at a Convention held in Toronto, Sept. 7-12, 1933, while covering in detail the form of the organization, did not disclose its aims and objects.

IMMIGRATION AND COLONIZATION

Total Immigration For 1934 Only 12,476

Immigration figures for the calendar year 1934 again revealed a decrease in numbers, as a result of the policy put into force by the Dominion Government in 1930 restricting immigration, except from the United Kingdom, the Irish Free State, self-governing British Dominions and the United States, to two classes, the first being wives and unmarried children under eighteen joining family heads established in Canada, and the second, agriculturalists with sufficient capital to begin farming on their own account. Total immigrants for 1934 were 12,476, which was 13.3 per cent. less than the previous year's total of 14,382. As a point of origin, the United States, with a total of 6,071 (a decrease of 28.6 per cent. from 1933) accounted for the largest number, while British countries were next with a total of 2,166. Of the 644 immigrants of Northern European races, 304 were Germans. Those of other races numbered 3,595, a 23.6 increase over 1933, of whom 588 were Slovak; 577, Hebrew; 563, Ruthenian; 427, Magyar; 392, Polish; and 320, Italian. The balance was made up of smaller numbers from other nationalities. Returning Canadians from the United States during the calendar year 1934 numbered 7,272, as compared with 10,209 during the previous year. The sharp reduction in total immigration during the several years preceding 1934 is clearly shown by contrasting the total of 436,582 immigrant arrivals during the three years 1928 to 1930 with that of 62,503 recorded for the years 1931 to 1933. Another distinct change was in the ratio of males to females in the overseas movement. In the fiscal years 1927-28 and 1928-29 overseas immigration showed the arrival of 178,815 males as against 84,937 females, while statistics for 1931-32 and 1932-33 showed the arival of 7,374 males as against 10,667 females. The following were the destinations of immigrants into Canada during the calendar year 1934: Ontario, 5,582; Quebec, 2,456; British Columbia, 1,394; Alberta, 1,098; Nova Scotia, 652; Saskatchewan, 519; Manitoba, 390; New Brunswick, 323; Prince Edward Island, 52; Yukon Territory, 8; and Northwest Territories, 2.

By occupations and classes the total for 1934 was distributed as follows: farming, 766 males, 315 females and 361 children; labouring, 272 males, 49 females and 90 children; mechanics, 487 males, 183 females and 114 children; trading, 698 males, 291 females and 133 children; mining, 48 males, 8 females and 13 children; female domestic servants, 485 aged 18 years or over and 69 under 18 years; and other classes not specified, 727 males, 3,776 females and 3,591 children. Total adult male immigrants numbered 2,998; adult females, 5,107; and children, 4,371.

The number of deportations (less accompanying persons) for the fiscal year ended Mar. 31, 1934, decreased to 4,035 from the peak of 6,505 established in 1932-33. Of the 1933-34 total, 2,380 were British, 301 United States, and 1,354 other nationalities. Mental causes accounted for 184 deportations; 2,991 had become public charges; 416 were convicted of criminal offences; 77 came under the Opium and Narcotic Drug Act; 117 were medical cases; and the remaining 250 were deported for other causes.

Land Settlement. An important Amendment to the Soldier Settlement Act was passed by Parliament in the Session of 1934 by which all lands administered by the Soldier Settlement of Canada were placed in exactly the same position with respect to the taxing laws of the Provinces as lands occupied by farmers generally. This was a principle for which organized municipalities had been contending for some years and the Government felt that in fairness to other farmer taxpayers this principle should be accorded through appropriate Parliamentary action. The Amendment to the Act was made retroactive to Jan. 1, 1933. Recognizing at the same time that there were many settlers on Soldier Settlement lands who were in arrears to municipal taxing authorities the Government made provision in the Estimates for 1934-5 for the payment of such taxes on lands occupied by soldier settlers up to the effective date of the above legislation.

On Mar. 31, 1934, the number of farms under the administration of the Soldier Settlement of Canada was 21,653, made up as follows: soldier settlers, 11,151; civilian settlers, 5,679; British families (including New Brunswick Family Scheme), 2,163; and unsold farms on hand, 2,660. The public investment as at Mar. 31, 1934, was $55,363,523. There had been repaid to the Public Treasury from all sources $52,704,364. Loans to the number of 2,580 had been repaid in cash.

The Canada Colonization Association, with headquarters at Winnipeg, a subsidiary of the Department of Immigration and Colonization of the Canadian Pacific Railway Company, specializing in the settlement of fully or partially improved privately-owned lands, placed 224 families on 49,799 acres during 1933. Since 1925, when the Association came under the administration of the Canadian Pacific Railway, families to the number of 5,446 had been settled on 1,191,193 acres. The associated organizations, the Colonization Finance Corporation of Canada, Limited, interested in farm management services in Western Canada, and the British Re-union Association, another subsidiary of the Railway, which was formed in 1929 to assist relatives to rejoin their kin in Canada, continued their useful work during the year. The Department continued its monthly review, *Agricultural and Industrial Progress in Canada,* though with a reduced circulation, during 1933. The Bureau of Canadian Information at Montreal, with branches in the United States and Great Britain, was in operation on a lesser scale; the distribution of motion

pictures on Canadian agricultural and industrial subjects, and exhibitions, illustrative of Canada's natural resources and economic life, were continued to the extent of meeting existing demands.

During the year 1933 the Department of Colonization and Agriculture of the Canadian National Railways was responsible for the settlement of 4,412 families and single men on 475,745 acres of land, these families having sufficient capital to become established without financial assistance. In addition, 784 families were settled by the Department under the Relief Settlement Plan, whereby the Dominion, Provincial and Municipal Governments contributed equally toward financing the movement. A few agricultural families from Europe, having sufficient capital to meet the immigration regulations, were also settled in Canada under the auspices of the C.N.R., but the bulk of the movement from Europe consisted of dependent members of families of those already in the country. Families numbering 135, with agricultural experience, were secured for Canada from the United States by the representative of the Department at St. Paul, Minn.; 266 families were repatriated and re-settled on lands within the Province of Quebec.

IMPERIAL AND INTERNATIONAL RELATIONS

Canada and the Empire

Canada's Empire relations during the year 1934 and the preceding six months were mainly confined to the working out of the Trade Agreements of 1932, the fruitfulness of which had been visible at the end of the first year, with encouraging progressive expansion continuing throughout the following twelve months. There were no Imperial meetings during the period. The Prime Minister of Canada (Mr. Bennett) had been in London during the Summer months of 1933, but the occasion had been the World Monetary and Economic Conference, June-July, and later, after a short holiday, the International Wheat Conference (see Section: "Industries and Commerce"). Another visit to England was paid by Mr. Bennett in the early Autumn of 1934, during which he was associated with an Empire event of a most auspicious nature. The occasion was a meeting of the Privy Council on Oct. 4, attended by the Canadian Prime Minister and representatives of the Australian and South African Governments to witness the formal consent of His Majesty to the marriage of his fourth son, His Royal Highness, Prince George, to the Princess Marina, third daughter of the Prince and Princess Nicholas of Greece and granddaughter of the former King George I of Greece. Several days later new dignities were bestowed upon Prince George when he was created, by His Majesty, Baron Downpatrick, Earl of St. Andrews and Duke of Kent.

To Canadians, with gracious memories of the Prince's visit to Canada in 1926 and 1927, the romantic Royal marriage had a particular appeal. In Canada's wedding gift, a family heirloom was restored to the Royal House. It consisted of two gold vessels, somewhat larger than loving cups which, originally, had been a gift of George III to his daughter, the Princess Adelaide, the great-grand-aunt of Prince George—a grand-aunt of Her Majesty Queen Mary. Participation by millions of listeners in the wedding ceremony in Westminster Abbey on Nov. 29, 1934, in fact as well as in spirit, was made possible by an Empire-wide hook-up by means of which the impressive and beautiful service was broadcast over the radio.

Other activities of the Royal Family of an Imperial nature during the eighteen months ending December, 1934, included a tour of South Africa by Prince George, early in 1934, prior to his marriage; a visit of the Duke of Gloucester on behalf of His Majesty, to Australia, during the Centenary celebrations of the State of Victoria, and to New Zealand in the Autumn of the same year; the launching on the Clyde on Sept. 26, 1934, by Her Majesty, Queen Mary, accompanied by the King and the Prince of Wales, of the new transatlantic Cunard-White Star liner *534*, which Her Majesty christened *Queen*

Mary; and the Empire radio broadcast of the King's Christmas message.

His Excellency the Earl of Bessborough, Governor-General of Canada, fulfilled the usual wide range of duties devolving upon him as representative of His Majesty in the Dominion. His travel itinerary during the period under review included official visits to Nova Scotia in July, 1933, to the Provinces of Manitoba and Saskatchewan in August, the attendance at the World's Grain Show at Regina being one of the principal items in his programme; and to southern and western Ontario in October. British Columbia, southern Alberta and Manitoba were visited in March and April of the following year; and in the early Summer, New Brunswick, when Saint John, Fredericton and Moncton were the centres favoured. His Excellency also officiated, or was present, on such occasions as the Dominion Drama Festival at Ottawa in April, 1934, the opening of Fort York and the Centennial celebrations at Toronto in May, the opening of the Canadian National Exhibition in August (1934) and the Royal Winter Fair in Toronto in November. Numerous other short visits were paid and many addresses were delivered by Lord Bessborough to medical and educational institutions and at meetings of various organizations. In addition to the several entertainments given by Lord and Lady Bessborough at Government House, Ottawa, a reception was held on Aug. 29, 1934, at the Vice-regal Summer residence, La Citadelle, Que., in honour of the delegates from the United Kingdom, France and the United States attending the celebration in Canada of the fourth centenary of the landing of Jacques Cartier.

For the first time since 1919 major titles were awarded to Canadians by His Majesty in the New Year's Honours list of Jan. 1, 1934, on the recommendation of His Majesty's Government in Canada (see also pages 59 and 100). The following were the honours conferred: Knight Grand Cross of the Order of St. Michael and St. George (G.C.M.G.; addressed as "Sir"), the Rt. Hon. Lyman Poore Duff, Chief Justice of the Supreme Court of Canada; Knight Bachelor (K.B.; addressed as "Sir"), the Hon. Joseph Mathias Tellier, Chief Justice of the Court of King's Bench, Quebec; Companions of the Order of St. Michael and St. George (C.M.G.), Arthur Beauchesne, LL.D., LITT.D., K.C., Clerk of the House of Commons; R. W. Breadner, Tariff Adviser to the Finance Ministry (appointed Dec. 30, 1933); Thomas Mulvey, K.C., former Under-Secretary of State for Canada; and H. H. Rowatt, former Deputy Minister of the Interior; Commanders of the Order of the British Empire (C.B.E.), Dr. Helen MacMurchy, Toronto, formerly Chief of the Child Welfare Division of the Dominion Department of Health; Miss E. C. Rayside, Superintendent of the Hamilton General Hospital; Miss E. L. Smellie, Chief of the Victorian Order of Nurses of Canada; Miss Charlotte Whitton, Executive Director of the Canadian Council on Child Welfare; Mrs. Laura Wood, for educational services in New Brunswick; and Miss Laura Holland, Vancouver, for development outpost welfare services. Also, eleven women were made Officers of the Civil

Division of the Order of the British Empire (O.B.E.) and fifteen women and one man (John Guy, confidential messenger of the Governor-General's Office, Ottawa) were made Members of the Order of the British Empire (M.B.E.). On Apr. 21, 1934, there was witnessed at Rideau Hall the first investiture in 15 years of recipients of such honours. The Rt. Hon. Lyman Poore Duff was knighted in the traditional style, with a light tap of the sword upon his right shoulder as he knelt before His Majesty's representative, the Governor-General. The *insignia* of Knight Bachelor was presented to the Hon. Joseph Mathias Tellier in letters patent from the King, as the power to give the accolade in such case had never been delegated to His Majesty's representatives overseas.

The King's Birthday list (June 3, 1934) contained further awards to distinguished Canadians: Knight Commander of the Order of the British Empire (K.B.E.), Dr. Frederick G. Banting, discoverer of insulin; Knight Bachelor (K.B.), Charles Edward Saunders, former Dominion Cerealist and discoverer of the Marquis, Ruby, Reward and Garnet varieties of wheat; Companions of the Order of St. Michael and St. George (C.M.G.), Alexander Johnston, formerly Deputy Minister of Marine; Ernest Joseph Lemaire, Clerk of the Privy Council of Canada since 1923; the Hon. William James Roche, M.D., C.M., LL.D., Chairman of the Civil Service Commission of Canada; and Duncan Campbell Scott, LL.D., poet and formerly Deputy-Superintendent-General of Indian Affairs; Commanders of the Order of the British Empire, Miss M. E. T. Addison, formerly Dean of Women at Victoria College of the University of Toronto; Miss M. E. W. Allen, Alberta, for service to crippled children; Miss Winnifred Kydd, President of the National Council of Women; Rev. Mother Marie Anna Piché, Superior-General of the Grey Nuns, Sisters of Charity, Montreal; and Miss Margaret Marshall Saunders, Toronto, for services to the Royal Canadian Humane Association; and Officer of the Civil Division of the Order of the British Empire (O.B.E.), Edwin Lister Brittain, Ottawa, for honorary services to the Patriotic Fund. The ceremony of investiture was held in Ottawa on Nov. 12. It was announced from London on July 12, 1934, that the venerable Order of the Hospital of St. John of Jerusalem had been conferred by His Majesty upon the Earl of Bessborough (Knight of Justice) and upon several Canadians as follows: Knights of Grace, the Hon. James H. King, Lieut.-Col. Herbert Molson, C.M.G., Colonel H. D. Lockhart Gordon and the Hon. Herbert A. Bruce, Lieutenant-Governor of Ontario; Dames of Grace, Mrs. Murray MacLaren, Mrs. R. J. Manion, Mrs. W. D. Herridge, the Hon. Cairine Wilson, and Mrs. Herbert A. Bruce; and Commanders of the Order, Dr. R. E. Wodehouse, O.B.E., John M. Imrie, Allen Travers Lewis and Major-General James H. MacBrien.

Empire Trade Expansion. An appraisal of the effects of the Ottawa Trade Agreements since their consummation in 1932, in the light of their probable relation to the general upward trend of trade development, reveals that of the total increase of $132,000,000 in Canada's total trade, inward and outward, in the fiscal year ended Mar. 31, 1934, augmented Empire

trade accounted for $76,000,000 or nearly 60 per cent. Imports of Empire origin increased in value over the preceding year by more than 16 per cent., while Canada's exports to Empire countries increased in the same period by 25 per cent. The increase of Empire imports, therefore, represented nearly 75 per cent. of the total increase in value of all imports; and the increase of Canadian exports to Empire areas represented over 50 per cent. of the total increased value of all exports. The United Kingdom, as might be expected, led in this expansion of Empire trade relations. In the single year under review, Canada's imports from the United Kingdom and Ireland increased from 86 to 105 million dollars (22 per cent.), and the export of Canada's domestic produce to the United Kingdom increased from a value of 184 million to a value of 228 million—or very close upon 25 per cent. The following table shows the increases in values in a single year in those export commodities to the United Kingdom that were selected for special or new preferences under the Agreements:

Commodity		Exports 1933	Exports 1934
Fresh Apples	bbl.	1,677,000	3,057,000
	$	6,930,000	11,400,000
Canned Pears	lb.	3,900,000	7,180,000
Canned Salmon	$	1,985,000	2,600,000
Bacon and Ham	$	3,430,000	12,360,000
Eggs	$	4,000	400,000
Butter	$	350,000	665,000
Fish (fresh and frozen)	$	410,000	790,000
Timber (including partially manufactured wood)	$	5,066,000	11,950,000
Copper (primary forms)	$	4,460,000	6,635,000
Copper (rods, sheets, etc.)	$	1,370,000	3,170,000
Pig Lead	$	1,810,000	3,280,000
Zinc (and products)	$	1,900,000	4,300,000
Asbestos	$	85,000	315,000

Increases in other and related commodities which, while not specifically enumerated, were guaranteed the continuance of preferential treatment, were as follows:

Commodity		Exports 1933	Exports 1934
Canned Tomatoes	lb.	2,500,000	9,000,000
Rubber Products	$	1,890,000	2,880,000
Livestock (cattle)	head	24,000	54,000
	$	1,700,000	3,500,000
Furs	$	6,780,000	8,800,000
Leather	$	2,000,000	2,650,000
Fresh Beef	$	100,000	410,000
Newsprint	$	2,950,000	4,300,000
Aluminum (primary forms)	$	1,215,000	4,070,000
Platinum	$	600,000	2,000,000
Nickel (and products)	$	1,150,000	8,500,000
Precious metals	$	710,000	2,520,000

The example of the United Kingdom was followed by the Dominions, with several of whom Canada had made separate Agreements. Australia increased her imports of Canadian logs of Douglas Fir from $80,000 to $460,000 and of box shooks from $8,000 to $130,000. She bought more of Canadian canned salmon than in 1933 by over $200,000; and she increased her purchases of Canadian-made motor vehicles and parts by nearly 2½ millions of dollars. She paid Canada $500,000 more for newsprint than in 1933 and increased her purchases of innumerable other goods.

British India purchased, of aluminum, $160,000 as against $10,000; of automobiles, $780,000 as against $380,000 in 1933; and of oatmeal, $110,000 as against $66,000.

The British Africas drew upon Canada for enlarged supplies of apples, coal, rubber footwear, pig lead, leather, lumber and canned salmon, the three countries—South, East and West Africa—increasing their purchases of Canadian-made automobiles alone by no less than $1,450,000.

New Zealand called for greatly increased shipments of Canadian automobiles, timber and flour; and the Irish Free State multiplied by ten the value of her Canadian barley purchases, quadrupled those of coal and tripled

those of timber; while the West Indies took a half million dollars' worth of automobiles, $130,000 worth of cheese, $116,000 worth of oats and $287,000 worth of lumber.

In two of the great basic products of Canada, namely, wheat and cheese—which were among those specifically included in the Empire Agreements—an increased volume of exports was not recorded. Canada did not, in 1934, market the volume of wheat that she did in 1933; her total exports, following a world-wide trend, fell off from (roughly) 240 million bushels to 175 million bushels, a decline of 27 per cent. The United Kingdom, however, continued to hold her place as Canada's reputed best customer for wheat and she was credited in Canadian trade returns with having taken, in the year 1933-34, more than 60 per cent. of Canada's total exports of this cereal. Moreover (thinking again of the Ottawa Agreements), the Irish Free State was one of two countries in a list of seventeen of Canada's wheat customers which actually increased their imports of Canadian wheat (the other was the United States, whose purchases in both fiscal years 1932-33 and 1933-34 were so small as to be negligible). Something the same may be said of the other export commodity in which increased volume was not recorded—cheese. While Canada's total exports remained almost stationary, slightly below those of 1933, the United Kingdom strikingly maintained her position as Canada's best customer in this line, taking cheese valued at $7,710,000 out of a total export of $8,176,000—or more than 94 per cent. of Canada's total sales abroad.

Of the total increase of $18,600,000 in imports from the United Kingdom during the fiscal year 1934 (over 1933), fibres, textiles and textile products alone accounted for over 45 per cent. In other words, Canada, in 1934, increased her purchases of textile goods from the United Kingdom by 8½ million dollars—the total importation of British fibres and textiles running to a value of 35 millions, or practically one-third of the total imports from the United Kingdom in the fiscal year ended Mar. 31, 1934. The amazing leadership of the United Kingdom in the textile-import field can be graphically illustrated in another way: in 1930, the United Kingdom had 46.6 per cent. of the Canadian import market for wholly or partially manufactured textiles and other countries had 53.4 per cent.; in the fiscal year 1932-33, the United Kingdom held 62 per cent. and other countries 38 per cent. In the year 1933-34, the United Kingdom continued to expand her trade in these lines in Canada, some of the returns for individual items being striking. In 1931, the United Kingdom supplied 6 per cent. of Canada's requirements of mercerized cotton yarns; in 1934, she supplied nearly 84 per cent. In 1932, she supplied 17 per cent. of Canada's imports of grey cotton fabrics; in 1934, over 45 per cent. In bleached cottons, the corresponding figures (for the same years) were 50 and 75 per cent., respectively; in printed and dyed cottons, her share grew from 42 to 70 per cent. In fine linens, she completely dominated the import field, greatly advantaged by the privilege of entry free of duties. Whereas, in 1932, she supplied 65 per cent. of Canada's total imports of wool fabric, in the grey, she furnished, in 1934, no less than 93 per cent. Canada's imports from the United Kingdom of various finished woollen and worsted cloths—such as flannels, overcoatings, tweeds, worsteds and serges, etc.—represented, in the fiscal year ended Mar. 31, 1934, over 95 per cent. of Canada's total importation of such goods and ran to a value of close upon six million dollars. And, indicative of the activity of her own domestic woollen industry, Canada purchased from the United Kingdom, in the fiscal year 1933-34, worsted tops to a value of very close upon five million dollars, as compared with a value of $2,600,000 in the preceding year.

Textile products from the United Kingdom led the imports from the Empire—but the goods that followed them Canada-ward were of very considerable consequence. Empire-grown teas, increased from $1,780,000 in the fiscal year 1932-33 to $3,140,000 in 1933-34; rolling mill products of iron and steel—notably sheets, wideplate and tinplate—increased from $6,300,000 to $10,000,000; steel wire, from $400,000 to $650,000; unmanufactured leather, from $600,000 to $880,000; non-edible vegetable oils, from $890,000 to $1,120,-

000; machinery (other than agricultural) from $1,895,000 to $2,270,000; crude petroleum, from the West Indies, up from 12,600,000 gallons to 19,200,000 gallons; paints and pigments from the United Kingdom, increased from $750,000 to $1,100,000; vehicles from $420,000 to $735,000; dyeing and tanning materials, from $440,000 to $640,000; and chemicals and allied products, up from $4,580,000 to $5,660,000. Some of the absolute figures regarding imports from the United Kingdom, in the years 1932-33 and 1933-34, under some of the more important headings of the textile classification follow:

Commodity		Imports 1933	Imports 1934
Cotton yarns for knitting	lb.	196,000	457,000
	$	58,000	135,000
Fine Cotton Yarns	$	375,000	486,000
Cotton yarns for mercerizing	lb.	21,000	573,000
	$	25,000	357,000
Unbleached Cottons	lb.	763,000	2,621,000
	$	282,000	837,000
Bleached Cottons	lb.	975,000	1,425,000
	$	525,000	703,000
Bleached and Dyed Cottons	lb.	3,685,000	4,966,000
	$	2,170,000	2,762,000
Linen Thread	$	185,000	265,000
Linen Fabrics in the Web	lb.	483,000	1,330,000
	$	280,000	730,000
Pure Linen Tablecloths, etc.	lb.	267,000	706,000
	$	287,000	735,000
Wool Yarns for Manufactures	lb.	2,650,000	3,400,000
	$	1,790,000	2,850,000
Wool Fabrics, 4 ounces and under	$	127,000	498,000
Flannels	$	136,000	250,000
Tweeds	$	463,000	900,000
Wool Fabrics, n.o.p.	$	864,000	1,785,000
Wool Fabrics, over 18 ounces	$	71,000	400,000
Artificial Silk Yarns	$	50,000	300,000

High Commissioners' Offices. Among the outstanding efforts of the Hon. G. Howard Ferguson, High Commissioner for Canada in the United Kingdom, to further the development of Canada's trade with the United Kingdom, during the period from July, 1933, to December, 1934, was his organization of the Maple Leaf Tour of Canada in August and September, 1934, with the co-operation of the Dominion Department of Trade and Commerce and in conjunction with the Canadian Pacific and Canadian National Railways. The Tour afforded about 150 individuals, engaged in the food distributive trades of the British Isles, an opportunity for inspecting primary and secondary food-producing industries in Eastern and Central Canada and for creating and renewing contacts between Canadian producers and United Kingdom distributors. It was part of a movement toward a more extensive advertising of Canadian products in the United Kingdom, which had already resulted in the Dominion Parliament, during the 1934 Session, voting to increase the sum devoted to that purpose to $200,000. The endeavours of the High Commissioner in this connection, by the strengthening of existing relations and the establishment of new contacts with the Government Departments of the United Kingdom, as well as with leading industrial and commercial organizations engaged in Anglo-Canadian trade, were referred to in the Report of the Secretary of State for External Affairs for the calendar year 1934. It stated that the investigations begun in 1933 into the requirements of the British market with a view to the expansion of Canadian exports of timber were actively pursued in 1934 by Mr. Ferguson and the Canadian Trade Commissioners in co-operation with the representatives of Canadian timber organizations and United Kingdom importers. The High Commissioner was present at the Canadian Section of the British Industries Fair held at Olympia, which, attended by business men from all parts of the world, was considered one of the most important factors in the development of international trade. He also attended the Heavy Industries Section of this Fair in Birmingham, and officiated at the opening of the All-Canadian Exhibition in London organized in co-operation with the British Trade Review. He visited, or was represented at, many other trade exhibitions and displays, including an exhibition

of Canadian products in a "Canada Shop" at Hull and Belfast, and the South London Exhibition. Mr. Ferguson attended meetings of the Imperial Economic Committee, of which he was elected Chairman, and of the Executive Council of the Imperial Agricultural Bureaux and the Imperial War Graves Commission. It was reported that some activities of the Empire Marketing Board had been transferred to the Imperial Economic Committee. Changes recommended by the Imperial Committee on Economic Consultation and Co-operation in the organization of the Imperial Shipping Committee were carried out. This Committee had reported a reduction in the rates of additional premium charged for the suspension of the warranty on the Hudson's Bay route. As a result of the closing of the Office of the Agent General for Ontario in London, inquiries relating to that Province, hitherto referred to the Agent General, were dealt with by the High Commissioner's Office.

In pursuit of his duties during the period under review as High Commissioner in Canada for the United Kingdom, Sir William Clark, who in 1928 had been the first appointee to that post and whose term of office had been extended for a sixth year into 1934, travelled across the Continent delivering addresses in the Western Provinces, the Maritime Provinces and in several cities of Ontario and Quebec, on the relations, trade and otherwise, of Canada with the United Kingdom. His appointment, effective in December, 1934, as His Majesty's High Commissioner in Basutoland, and Bechuanaland Protectorate and Swaziland and High Commissioner in the Union of South Africa for His Majesty's Government in the United Kingdom, to succeed Sir Herbert James Stanley, who was to become Governor of Southern Rhodesia, was announced from London on June 18, 1934. Subsequently the selection was made, June 29, as his successor, of Sir Francis Lewis Castle Floud, Secretary to the Ministry of Labour of the United Kingdom. Sir William left Canada for England on Sept. 12. In the interim before the arrival of the new High Commissioner the duties of the office were assumed by Norman Archer, first Secretary.

The League of Nations

While international, particularly European occurrences during the period from July, 1933, to December, 1934, were fraught with excitement and interest to all parts of the world, where signs of repercussion were anxiously awaited, and speculation as to their ultimate outcome was rife, their effects in the main were felt only by the nations directly concerned. There was no great international achievement or development worthy of note during the period. Negotiations on the vexed questions of debt and disarmament were ineffectually pursued. The Wheat Conference at Rome in August, 1933, was attended by a certain measure of success, but the resulting Agreement was the subject of much debate in the succeeding months of 1934 (see pp. 99-100, and 316-17). The nature of the outstanding events of the period was tragic to a peculiar degree. Belgium suffered the loss of her ruler, King Albert I, in February, 1934, when he was killed by a fall while mountain-climbing. In France, there was the Stavisky scandal in January, 1934, followed in February by the Paris riots with their attendant bloodshed; then the political troubles resulting in successive defeats of the Government; and finally in October, the assassinations at Marseilles of King Alexander of Yugoslavia and M. Barthou, Foreign Minister of France. Alleged Nazi persecution of Jews in Germany, the Hitler "blood purge" of June 30, the murder of Dr. Dollfuss, Chancellor of Austria at the hands of Nazis in July, a few weeks before the death

of President Von Hindenburg of Germany on Aug. 2, all aroused, for a time, serious apprehension amongst the great Powers.

By means of the Canadian Advisory Office at Geneva, which, in 1934, celebrated the tenth anniversary of its establishment, Canada actively participated during the period under review in the efforts of the League of Nations to establish international peace. The foremost problem confronting the League was that of disarmament. Following the receipt of Germany's two-years' notice of withdrawal from the League (Oct. 19, 1933) and the breakdown of the Disarmament Conference toward the end of 1933, negotiations on that question were unsuccessfully continued between Germany, the United Kingdom, France and Italy during the first months of 1934. In June the Bureau of the Conference commenced work on a programme which aimed at the solution of difficulties without prejudice to any private conversations that might be proceeding between Governments. It was decided in November, 1934, to limit their work to the problems of establishing a permanent disarmament commission, the supervision of arms manufacture and trade, and the organization of a system of budgetary publicity, agreements on these three points to be immediately submitted in a single document for signature by the various Governments. The completion of a general convention on the limitation and reduction of armaments was not to be abandoned, however. Several other outstanding international questions were dealt with by the League in 1934. The dispute between Colombia and Peru over Leticia was terminated in May by an Agreement which resulted in that territory being officially handed over to Colombia on June 19. Practically every member of the League, including Canada, assented to the establishment of an embargo on the export of arms and ammunition to Bolivia and Paraguay, between whom hostilities persisted throughout 1934. Peace recommendations submitted by the League in November were accepted by Bolivia but objected to by Paraguay, which was thereupon asked to give an official answer to the League by Jan. 14, 1935. The most complicated problem involved in the preparation for the Plebiscite of the Saar Valley on Jan. 13, 1935, which was to determine whether that territory should be incorporated into France or Germany or remain under the League of Nations, was successfully solved on Dec. 3, 1934, when an Agreement was concluded between France and Germany under the auspices of the League. By this Agreement, Germany, should the vote go in her favour, agreed to pay to France 900,000,000 French francs (part payment to be made in free deliveries of coal) in return for the cession by the latter of ownership over the Saar mines and railways. The League also effected an undertaking by the two countries not to discriminate against inhabitants of the territory on account of their political beliefs. An international force of troops from the United Kingdom, Italy, the Netherlands and Sweden to maintain order in the Saar during the period preceding, during and subsequent to the Plebiscite was formed under the authority of the League's Governing Commission of the Saar, and the details of the organiza-

tion and direction of the Plebiscite itself were entrusted to a special Plebiscite Commission. The Yugoslav-Hungary flare-up, resulting from the assassinations on Oct. 9, 1934, of King Alexander I of Yugoslavia and M. Louis Barthou, Foreign Secretary of France, which the nations of the Little Entente claimed were due to terrorist activities in Hungary for which the authorities of that country were indirectly responsible through negligence, if not directly, was amicably settled through the League's mediation. The Hungarian Government was requested to punish those authorities whose guilt could be established and to communicate its action in that regard to the Council. Two smaller questions before the League's Council were the claims of the Finnish Government against the United Kingdom in connection with Finnish ships used by the latter during the Great War and the reparation demanded by the Swiss Confederation for damage sustained by its nationals on the territory of Germany, the United Kingdom, France and Italy during the War.

The forward position of Canada as a factor in world affairs in 1934 was reflected in the unanimous election, as Chairman of the Second Committee of the Assembly dealing with economic, financial, transit and health questions, of the Rt. Hon. R. B. Bennett, Dominion Prime Minister and senior delegate to the 15th Ordinary Session of the Assembly of the League, Sept. 10-27, 1934. (See also page 31). Other members of the Canadian delegation representing Canada on the Assembly Committees were Dr. O. D. Skelton, Under-Secretary of State for External Affairs, Dr. W. A. Riddell, Canadian Advisory Officer of the League at Geneva, and M. Jean Désy, Counsellor of the Canadian Legation at Paris. The highlight of the proceedings of the Assembly was the admission to the League's membership of the Union of Socialist Soviet Republics on Sept. 18 by a vote of 38 to 3, the dissenting nations being Switzerland, the Netherlands and Portugal. The U.S.S.R. also joined the United Kingdom, France and Italy as the fourth permanent member of the Council. Afghanistan was admitted to the Assembly by unanimous vote on Sept. 27 and Ecuador, an original member, took her seat on Sept. 28. Turkey and Chile were elected temporary members of the Council, succeeding China and Panama, and Spain was re-elected. M. Sandler of Sweden was made President of the Assembly for the ensuing year. Prior to the Meeting of the Assembly, the United States, on Aug. 18, had accepted full membership in the International Labour Office of the League.

League of Nations Society in Canada. Considerable study and discussion formed the background of the various addresses to the Annual Meeting of the League of Nations Society in Canada on May 25, 1934. Topics dealt with were the outcome of suggestions submitted by the members, branches and groups of the League organized under the National Study Project "Canada and World Peace" and were subsequently incorporated into resolutions, of which those carried urged: the further development of the machinery for directing Canada's external affairs by the creation of a separate minister of external affairs, the extension of the personnel of the Department and the creation and regular operation in both Houses of Parliament of Parliamentary Committees for the discussion of external affairs; the maintenance

and strengthening by Canada of the collective system based on the Covenant of the League of Nations and the Pact of Paris; an investigation by the British Government of the private traffic in arms along the lines of the Senate Inquiry in the United States, with a view to allaying doubts tending to poison inter-commonwealth relations; and the immediate application of the Society for membership in the International Federation of the League of Nations Societies. Matters submitted for further discussion by study groups included the advisability of a peace Act for Canada; the revision of the British North America Act with a view to having the Dominion act on her own authority in so far as her international obligations were concerned, rather than on her powers as a part of the British Empire; and the participation of Canada in international action requiring decisive acts by the Federal Government at the instance of the League of Nations, with special reference to the question of sanctions. Suggestions made by the National Secretary, T. W. L. MacDermot, for the further development of the Society's Publications Department by more extensive means of education for both adults and schools were approved by the Meeting. The Hon. Ernest Lapointe was re-elected President for the ensuing year.

International Conventions. Numerous important treaties and conventions were signed or ratified on behalf of Canada by her ministers or diplomatic representatives during the period from July, 1933, to December, 1934. As reported by the Secretary of State for External Affairs, these were as follows: a second six-months extension, from Nov. 24, 1933, of the Trade Agreement between Canada and New Zealand, signed Apr. 23, 1932; an exchange of Notes in London, July 6, 1933, between Canada and Austria, establishing a temporary tariff arrangement; the ratification, on Dec. 30, 1933, of the International Telecommunication Convention and General Radio Communication Regulations and Final Protocol to these Regulations, signed at Madrid, Dec. 9, 1932; the Universal Postal Union Convention signed at Cairo on Mar. 20, 1934, and ratified, June 22; a Convention signed Apr. 16, 1934 (by His Majesty's Ambassador at Warsaw), between the countries of the British Commonwealth and Poland for the reciprocal recognition of certificates of registry and other national documents relating to the measurement of tonnage of merchant ships; an exchange of Notes, dated Apr. 23, May 2 and May 4, at Ottawa, with the United States governing radio communications between private experimental stations in Canada and the United States; ratification, on Apr. 27, of the Convention relating to International Exhibitions and a Protocol of Signature signed at Paris, Nov. 22, 1928; the further extension on May 24, 1934, for a 12-month period, of the Trade Agreement between Canada and New Zealand in force since May 24, 1932; the International Agreement of the Statistics of Causes of Death, signed at London, June 19; the second renewal for one year, beginning July 1, 1934, of the Agreement between Canada and the United States granting reciprocal "blanket" permission for flights of military aircraft, in effect since September, 1932; an exchange of ratifications at Washington, on July 26, of the Convention between Canada and the United States, signed Dec. 9, 1933, relative to the exemption from load-line requirements of vessels of those countries operating solely on certain sheltered waters of the Pacific Coast of North America; an exchange of Notes between Canada and Roumania on July 27, effecting an Agreement on a reciprocal basis for the waiver of consular fees on certificates of origin; and an exchange of Notes at Paris on Sept. 29 between France and Canada supplementing the Commercial Agreement signed at Ottawa May 12, 1933. (For further particulars as to Canada's Trade Conventions, see pp. 469-70).

Canada and the United States. The failure of the Senate of the United States on Mar. 14, 1934, to give consent to the ratification of the St. Lawrence Waterway Treaty was the foremost item of interest in Canada-United States relations during the period under review. With the vote 46 in favour of the Treaty and 42 against, instead of the two-thirds majority required, the President (Mr. Franklin Roosevelt) immediately announced that he would re-submit the Treaty for approval to the next Congress.

Ratification by the United States of the Treaty, which had been signed on July 18, 1932, after several years of negotiation, was to precede similar action on the part of Canada. Legislative measures adopted by the United States Congress (January-June, 1934), with a direct or indirect bearing on Canada included the Gold Reserve Act passed in January, the Silver Purchase Act adopted in June, the Securities Exchange Act providing for the Federal regulations of stock exchanges, a new Revenue Act, the National Housing Act, and an Act authorizing the President to enter into trade agreements with foreign countries. The Canadian Legation followed closely the discussions in Congress of these and other measures and kept the Department of External Affairs at Ottawa informed of developments likely to affect conditions in Canada. The modifications made in the Securities Exchange Act safeguarded the operations of Canadian banks with agencies in New York.

The Canadian Minister at Washington, the Hon. W. D. Herridge, was particularly watchful throughout 1933-34 of the development of the new United States policy regarding the conclusion of trade agreements, numerous informal conversations taking place on the means of increasing trade between Canada and the United States. Canada's Legation was also concerned with proposals from industries in the United States, operating under codes approved by the National Recovery Administration, to secure or increase protection against imports from Canada; especially in this connection were the demands in respect of Canadian shingles and lobsters. Many discussions took place during the period with the United States authorities concerning wheat, newsprint, fodder supplies for drought areas, liquor and other matters of commercial interest. In addition, current problems relating to immigration, deportation and income tax matters were the objects of conferences between the two Governments.

The United States Tariff Commission reported three increases and four decreases in import duties effective during the period July, 1933, to December, 1934. The increases concerned tuna fish packed in oil and other fish valued at less than 9 cents per pound, and clams, other than razor clams, and when combined with other substances. Duties on Laminated products, razor clams packed in air-tight containers, sugars and certain syrups were decreased. As a result of an investigation under the National Industrial Recovery Act in March, 1934, imports of red cedar shingles from Canada were limited to an amount equal to 25 per cent. of the estimated domestic consumption; a system of marking the grades was agreed upon; and each import invoice was to show the price and terms of sale. Additional fees were also imposed on chenille, imitation oriental and other cotton rugs, following an investigation into that commodity. The Revenue Act of 1934, approved by Congress, May 10, 1934, amended the 1932 Act by imposing a duty of three cents per pound on whale oil, fish oil and marine oil, exclusive of sperm oil, cod oil, cod-liver oil and halibut-liver oil.

The activities of the Hon. Warren Delano Robbins from the time of his appointment in May, 1933, as Envoy Extraordinary and Minister Plenipotentiary of the United States to Canada, to the end of 1934, included several notable addresses delivered by him in Montreal, Ottawa, Toronto and elsewhere. His reception of the honorary degree of Doctor of Laws (LL.D.) from Queen's University, Kingston, on Oct. 28, 1934; the opening of the Roosevelt Bridge at Massena and Cornwall on June 30, 1934; the unveiling of the memorial tablet at Fort York on July 4; the unveiling of the Gaspé "Cross" on Aug. 25; the dedication of the monument, "The Torch," at Three Rivers, Que., on Aug. 30; and the opening of the Gallery Carnegie Foundation, Ottawa, on Nov. 6; these were all some of the many occasions on which he participated in Canadian affairs during the year 1934.

During the 18 months ended Dec. 31, 1934, the International Joint Commission finally disposed of the investigation relating to the possibilities of hydro-electric development of Rainy Lake and other boundary waters to the east of it, which had extended over several years. Following public hearings by the Commission in Winnipeg and Minneapolis in October, 1933, at which considerable testimony was presented on behalf of water power, recreational

and other interests, a Report embodying its conclusions and recommendations was filed by the Commission in May, 1934, with the Governments of Canada and the United States, and was made public on June 17. It was declared inadvisable to regulate the levels of Rainy River and Namaken Lakes above existing authorized levels, the Report pointing out that, if the demand arose, other water in the Rainy Lake watershed might be used for water power without seriously injuring recreational interests. An application of the Trustee in Bankruptcy of the Kootenay Valley Power and Development Company for authority to carry out certain drainage works on the British Columbia side of the Kootenay Valley, was heard at Nelson, B.C., in August, 1933, and in October, the Commission issued its Order approving of the proposed works with certain reservations designed to protect other interests. In August, 1933, the Commission heard the application of the West Kootenay Power and Light Company, Limited, at Nelson, British Columbia, and again during a meeting in Ottawa in October, 1934, when the application was formerly withdrawn. In April, 1934, the Commission held a hearing in Washington of the application of the Madawaska Company, which had complained of the effect upon their interests of the operation of a dam at Grand Falls, maintained by the Saint John River Power Company, under the authority of the Commission; the latter issued its Order under the same date. At the meeting in Ottawa in October, 1934, the Commission disposed of the case of Canadian Cottons, Limited, for approval of a reconstructed dam on the St. Croix River between Maine and New Brunswick.

The Canada-United States Joint Commission (the Rt. Hon. Sir Lyman P. Duff and the Hon. Willis Van DeVanter), appointed in January, 1932, to inquire into the case of the *I'm Alone*, Canadian rum-running vessel, which was sunk on Mar. 22, 1929, in the Gulf of Mexico by the United States revenue cutter *Dexter*, held their final hearing from Dec. 28, 1934, to Jan. 3, 1935, and submitted their joint Final Report on Jan. 5. In their Interim Report, made on June 30, 1933, the Commissioners had found that the sinking of the vessel was not justified by anything in the Convention of Jan. 23, 1924, between His Majesty the King and the President of the United States. The Final Report stated, in addition, that it could not be justified by any principle of international law. The act of sinking the ship, although for several years her cargo was destined for illegal sale in the U.S., was "an unlawful act," it was declared, and "the United States ought formally to acknowledge its illegality, and to apologize to His Majesty's Canadian Government therefor; and further, that, as a material amend in respect of the wrong, the United States should pay the sum of $25,000 to His Majesty's Canadian Government." In addition, it was recommended that the sum of $25,666 should be paid in compensation to "the captain and members of the crew, none of whom was a party to the illegal conspiracy to smuggle liquor into the United States and sell the same there." The Commissioners considered, however, that no compensation should be paid in respect of the loss of the ship or the cargo, in view of the fact that the *I'm Alone*, although a British ship of Canadian registry, had been *de facto* owned and controlled and her cargo dealt with, by a group of persons, nearly all of whom were citizens of the United States. (A formal Note of apology, dated Jan. 19, was sent by the United States Secretary of State to the Canadian Minister at Washington, in which it was stated that steps were being taken to obtain appropriation for the sum of $50,666 which the Commissioners had recommended should be paid in damages by the United States to the Canadian Government).

As a result of action taken on the recommendation of Mr. Roosevelt by the United States Congress, the mace of the Parliament of Upper Canada, seized by the United States forces during the War of 1812-14 (the Battle of York, Apr. 27, 1813), was returned to Canada in July, 1934. The mace, the symbol of legislative authority at York (Toronto) since 1792, had been preserved in the United States Naval Academy at Annapolis.

Canada's Relations with France and Japan. The Canadian Legation at Paris reported active participation in the preparatory work and general arrangements for two outstanding events during the period under

review: the negotiation in Paris by the Secretary of State for External Affairs of an Agreement, supplementary to the Trade Agreement of May 12, 1933, between Canada and France, and the celebration in both France and Canada of the Fourth Centenary of the landing of Jacques Cartier in Canada. A celebration tour of Canada was made by representatives of the French Government, of various French municipalities, institutions and societies and the celebrations in France were attended by Canadian representatives who were entertained by the French Government, by the municipalities of St. Malo, Rouen, Le Havre, and by public and private organizations. It was stated that the visits had resulted in the publication of numerous reviews of Canadian history and economic and social conditions, thus stimulating in France a greater interest in the Dominion. The usual routine work of the Legation increased during the year. Reports were made regarding double taxation, the importation of Canadian products, quotas, exchange surtax, extradition, various international conferences, the Toronto Centenary celebrations, etc., and on political and economic conditions on the Continent. The consular and quasi-consular work of the Legation, assistance to distressed Canadians, and passport administration demanded increased attention. The Minister or members of the Legation represented Canada at the Assembly of the League of Nations, the Conference on the Reduction and Limitation of Armaments, the International Commission for Air Navigation at Lisbon, Conférence Internationale des Grands Reséaux Electriques, Congrés International du Cancer, and at other international conferences.

Subsequent to his appointment as Minister of France to Copenhagen, M. Charles Arsène Henry, Minister of France to Canada since 1931, left the Dominion to take up his new duties in September, 1934. On Oct. 16, 1934, M. Raymond Brugère presented his credentials as Minister of France at Ottawa; other new appointees to the Legation staff were: M. Henri de Clerval, Commercial Attaché; M. Paul Louis Barron, Secretary; M. G. J. Priestley and M. Pierre Claudel, Attachés.

Completion of the new Canadian Legation at Tokyo, the office or chancellery of which also provided accommodation for the Department of External Affairs and the Department of Trade and Commerce, was effected before the end of 1933. During 1934 the Legation Envoy Extraordinary and Minister Plenipotentiary, the Hon. Herbert M. Marler, submitted reports to the Department of External Affairs regarding general economic and political developments in Japan and China, with particular reference to Canadian trade with Japan, visits of the Hon. J. G. Latham and the Australian Eastern Mission and of the unofficial British Economic Mission, crop conditions, labour conditions and their influence on Japanese foreign trade, subsidies granted to the Japanese Merchant Marine, commercial aviation in Japan, cases arising under the immigration agreement between Canada and Japan, representation of Canada at the International Red Cross Conference, disarmament and naval limitation, and treaties between Japan and foreign States. Among other matters dealt with were the proposed inauguration of an international radio telephone system, payments of the Canadian share of the returns from the seal fisheries, alleged discrimination against Canadian manufacturers, and protection against infringements of Canadian trade marks registered in Japan. The Office of the Commercial Secretary had an influencing effect or a share in the development of business valued at $2,945,000; it prepared many reports for general distribution in Canada and for the information of individual inquirers. Canadian exports to Japan were reported to be not only increasing but also becoming more diversified; the proportion of the exports from the Province of British Columbia was particularly noteworthy. A wheat publicity campaign was carried out over a period of six months. Owing to continued Australian competition as a result of the depreciation of the Australian pound, wheat constituted only a small part of Canadian exports to Japan in 1934, but an increase of Japanese purchases of Canadian wheat was anticipated. It was stated that Canadian manufacturers of newsprint were supplying practically all Japanese foreign purchases of newsprint and that the prospects were favourable for increased purchases of Canadian lumber and rayon pulp.

Following several months leave of absence in Japan during the last half of 1933, the Hon. I. M. Tokugawa, Minister of Japan to Canada, returned to the Dominion at the end of November. Early in 1934 the Minister accompanied his father, Prince Tokugawa, who was visiting North America after an extended tour of Europe, on a trip to the United States, whence he returned in April. Mr. Tokugawa was made the recipient of the honorary degree of Doctor of Laws (LL.D.) from the University of British Columbia at the Annual Convocation on May 10. Several noteworthy addresses on Japan's international relations and her economic problems were delivered by the Minister during the year. (On Jan. 15, 1935, Mr. Tokugawa left Ottawa to take up the post of Japanese Ambassador to Turkey).

International Organizations. Activities of the Rockefeller Foundation in Canada during 1934 included appropriations to McGill University and the University of Montreal. To McGill University an amount of $54,600 was toward the expenses during the year 1933-34 of teaching and research in neurology, neurosurgery, and the physiology and pathology of the nervous system. An additional $10,000 was for the purpose of research in the applications of spectroscopic methods to biological and medical problems from May 1, 1934 to June 30, 1935. To the University of Montreal $25,000 was contributed for the development of the laboratories of its Faculty of Medicine during the academic year 1934-35. A number of payments were made by the Foundation during the year 1934 on projects which had originated in earlier years: the Canadian National Committee for Mental Hygiene, for continuing a programme of research in the social sciences and in mental hygiene; Dalhousie University, for the developing of teaching in public health and preventive medicine; McGill University, for teaching and research in neurology, and for the development of research in the social sciences; University of Montreal, extension of the Faculty of Medicine laboratories; University of Toronto, the maintenance of work in child study and parent education, and also the maintenance of the School of Nursing. Nine counties in Alberta, British Columbia, Manitoba and Quebec received assistance in the development of county health organizations. Funds were given for epidemiological services to the Provincial Health Department of British Columbia. At the request of the Minister of Health of Nova Scotia a survey was made by the Foundation of the Provincial Department of Health. Eighteen Canadians studied under the fellowships administered or financed by the Foundation during 1934, sixteen in the various branches of public health work and one each in the medical and social sciences. Travel grants were made to three nurses.

Canada received many generous donations from the Carnegie Corporation during the year ended Sept. 30, 1934. Emergency grants of $50,000 each were made to the Universities of Manitoba, Saskatchewan, Alberta and British Columbia, the University of Saskatchewan also receiving an appropriation of $16,500, of which $5,500 was paid, in support of a chair of music, while the University of Alberta was granted additional sums of $10,000 to carry out their fine arts programme and $3,000 to be used in research development in the teaching of mathematics. Other universities benefiting were: Acadia University, for the support of fine arts work, a part payment of $2,000 of an authorized amount of $6,000; Dalhousie University, for a professorship in German, $8,000; McGill University, in support of the Library School, a second donation of $14,400 and the sum of $3,000 for research in pharmacology; McMaster University, for their fine arts programme, $20,000; Queen's University, for research in biochemistry, $3,000. Regina College, St. Francis Xavier's College, N.S., and the University of Toronto all received amounts which had been donated the previous year. The sum of $9,700 was paid by the Corporation in support of the British Columbia Public Library Commission and another of $22,500 was authorized for the library service demonstration on Prince Edward Island. Of the total donation of $148,500 made for the purchase of books in various colleges, $71,250 was paid in 1933-34. Other appropriations were: $3,600, for library fellowships for Canadians, to the American Library Association; $10,000, for adult education in Canada, to the American Associa-

tion for Adult Education; $2,500 for Canadian activities of the College Art Association; $39,000, for the development of Canadian museum programmes; $15,700, for scholarships to Canadian students, to the Royal Society of Canada; and $12,500, in support of their programme, to the Worker's Educational Association of Ontario. Canada also shared in several general donations including $25,000 for an educational programme in Canada and the British Colonies and $150,000, for research in Canadian-American relations, both in the interests of international peace; and $63,000, in support of a programme of museum development in the British colonies.

The Eighteenth Annual Convention of the Kiwanis International met in Toronto on Sunday, June 10, with a non-denominational service in Massey Hall. Business sessions were held during the following days at the Royal York Hotel. On the opening day the guests were welcomed by W. J. Stewart, Mayor of Toronto; later, they were addressed by the Hon. A. L. Macdonald, Prime Minister of Nova Scotia. In speaking during one of the sessions the International President, Joshua L. Johns, Appleton, Wis., stated that the organization represented 18,050 communities in Canada and the United States. "Since last January our membership has been increased at the rate of 1,200 a month; our total membership now exceeds 83,000," he declared. The finance Report by the International Treasurer showed that finances were in good condition; there had been no necessity, so far, to break into the emergency reserve of the organization which was composed of Government bonds, the Dominion of Canada and Treasury Notes of the United States. The 1934 Convention before concluding its session pledged itself to programmes of spreading information that would assist in the abolition of private control of arms manufacture, and foster a direct militant public opinion against salacious, undermining and unsavory motion pictures. Closely connected to the arms resolution, which had been submitted by the Baltimore Club, was a second resolution commending the President of the United States for his stand "on reduction of armaments for aggression." A fourth resolution deploring the "rising costs of Government" urged all Clubs to present programmes which would promote "intelligent right thinking and aggressive action" among the members in order that public sentiment "will be fully aroused regarding public matters." The strongly worded resolution of the Chicago Club against the "movies" read: "That we whole-heartedly approve and endorse the movement which has heretofore been initiated to arouse, foster and inculcate a militant public opinion directed against salacious, undermining and unsavory motion pictures." Dr. William J. Carrington of Atlantic City, was elected International President for the 1934-35 term; William R. Cockburn, Toronto, to the office of Canadian Vice-President; and Arch. A. Schramm, Marietta, Ohio, was chosen as United States Vice-President.

The 25th Annual Convention of Rotary International was held in Detroit, Michigan, June 25-29, 1934. Among the outstanding addresses was the presidential message of John Nelson of Montreal, describing some of the problems confronting Rotary, pointing to the gain in membership in all regions indicative of the strength of the organization in spite of the depression, and reporting on his visits with Rotary clubs in North America, North Africa, Asia Minor, and Europe. In a day devoted to the current problems of business, Charles F. Kettering, noted inventor and engineer, spoke on the task before the scientist and the business man in improving the devices which contribute to the advance of civilization, under the topic "The World Isn't Finished." The series of addresses on Youth Service by Rotarians from different continents was followed by the presentation to Paul P. Harris, founder and President *Emeritus* of Rotary, of the Silver Buffalo Award, the highest mark of recognition of the Boy Scouts of America, as an acknowledgement of the service rendered not only by Mr. Harris, but by all Rotarians in the cause of youth. A day was devoted to the consideration of the problems of international relations, concluding with a round-table discussion by nine Rotarians from different countries, the climax of which was the cordial greeting exchanged between a representative of the Rotarians of France and a representative of the Rotarians of Germany who shook hands, and pledged themselves to increased

effort in furtherance of a better understanding. On the closing day, the Rt. Rev. James E. Freeman, Bishop of Washington, D.C., spoke on "Peace by Peoples." The following officers were elected for 1934-35: President, R. L. Hill, Columbia, Miss.; First Vice-President, Donato Gaminara, Montevideo, Uruguay; Second Vice-President, Paul T. Thorwall, Helsingfors, Finland; Third Vice-President, Walter D. Head, Montclair, New Jersey, U.S.A.; Secretary, Chesley R. Perry, Chicago, Illinois, U.S.A.; and Treasurer, Rufus F. Chapin, Chicago, Illinois, U.S.A. The Canadian Advisory Committee of Rotary International selected for its chief project for 1934 an organized effort on the part of the Rotary clubs in Canada and the individual Rotarians to strive to eliminate abuses in business, which its committee believed had done much to bring business to the condition "in which it is to-day" price-cutting, inferior materials, misleading advertising, false invoicing, mislabeling, and other detrimental practices. Charles E. Hunt, K.C., St. John's, Newfoundland, was chosen as Canada's representative on the International Board of Directors. Bartley N. Holtham, Sherbrooke, Quebec, was re-elected as Chairman of the Canadian Advisory Committee. W. W. Emerson, Winnipeg, Manitoba, was appointed to the Club Service Committee and the Extension Committee; Bruce H. Richardson, Winnipeg, Man., to the Convention Committee; and John Nelson, Montreal, to the Finance Committee. At the end of 1934, there were 3,277 Rotary clubs, with an approximate membership of 153,000.

CANADIAN BOOKS OF 1933

By

George H. Locke, M.A., LL.D.

Librarianship and Journalism

Burkholder, Mabel Grace, 1881—. "Kit" (Kathleen Blake Coleman). 16p. port. Niagara Falls, Ont., Evening Review Pub. Co., for Canadian Women's Press Club, Hamilton Branch.

Commission of Enquiry (into the Library Situation in Canada). Libraries in Canada, A Study of Library Conditions and Needs; John Ridington, Chairman, Mary J. L. Black, George H. Locke. 153p. 25cm. Toronto, Ryerson, for the Commission.

Montreal Special Libraries Association. Directory of Special Libraries in Montreal; comp. by the Directory Committee. 1st ed. May. 43p. 21cm. Montreal, the Association.

Toronto Public Library. One Hundred and Fifty Books of the Last Three Years Recommended by the Circulation Division of the Toronto Public Libraries, 1931-1933. 24p. 16cm. Toronto, Ryerson.

Philosophy, Psychology and Religion

Bericht über die 30 Allgemeine Konferenz der Mennoniten in Canada in der Rosenorter Gemeinde zu Laird, Sask., am 11-13 Juli, 1932. 78p. Rosthern, Sask., der Bote, (D. H. Epp, Editor).

Bingham, Herbert Henry, 1878—. The Bethlehem Road; or, With Christ in the Paths of Palestine. xi, 209p. front. pl. 19cm. Toronto, McClelland & Stewart.

Bond, Frank Fraser. The Woolly Lamb of God; decorations by Carle Michel Boog. 77p. front. N.Y., Revell.

Canada. Dominion Bureau of Statistics. Seventh Census of Canada, 1931. Bul. 35. Religious denominations by racial origins, 1931. 37p. 28cm. Ottawa, the Bureau.

Church of England in Canada. Restoration Fund. The Lost Endowments; sources, causes, extent, consequences, remedies. 24p. 23cm. Toronto, Church of England in Canada.

Douglas, Lloyd Cassel, 1877—. The College Student Facing a Muddled World. 68p. Toronto, Ryerson.

Douglas, Lloyd Cassel, 1877—. Those Disturbing Miracles. 260p. Toronto, Musson.

Humphrey, George, 1889—. The Nature of Learning in its Relation to the Living System. (International Library of Psychology, Philosophy and Scientific Method). viii, 296p. il. pl. London, Kegal Paul.

Humphrey, George, 1889—. The Story of Man's Mind. rev. and enl. ed. viii, 308p. pl. N.Y., Dodd Mead.

Isserman, Ferdinand Myron, 1898—. Rebels and Saints; the social message of the prophets of Israel, introd. by William Scarlett. 152p. St. Louis, Bethany Press.

Kells, Edna, 1880—. Elizabeth McDougall, Pioneer. 48p. Toronto, United Church of Canada.

Kirkwall. Kirkwall Church and Community, 1833-1933. 120p. il. Kirkwall, the Church.

Kirkwood, Mrs. Mossie May (Waddington), 1890—. Duty and Happiness in a Changed World. 207p. Toronto, Macmillan.

Lighthall, William Douw, 1857—. The Person of Evolution; the Outer Consciousness, the Outer Knowl-

edge, the Directive Power; studies of instinct as contributions to a philosophy of evolution; with a new appendix on the cosmic life. 216p. Toronto, Macmillan, for the Author.

McNab, John, 1887—. They Went Forth. xiii, 207p. Toronto, McClelland & Stewart.

Maritain, Raïssa. The Prince of This World, translated into English by Rev. Gerald B. Phelan, PH.D. 27p. 18cm. Toronto, Institute of Mediæval Studies, St. Michael's College.

Mugglebee, Ruth E., 1903—. Father Coughlin of the Shrine of the Little Flower; an account of the life, work and message of Charles E. Coughlin, with a foreword by Alfred E. Smith and an introd. by Roger E. Rogers. xii, 321p. il. Boston, Page.

Oliver, Edmund Henry, 1882—. Tracts for Difficult Times; Christian literature of comfort, challenge and reconstruction. xii, 212p. Toronto, Ryerson.

Pierce, William Henry, 1856—. From Potlatch to Pulpit; being the autobiography of the Rev. William Henry Pierce, native missionary to the Indian tribes of the northwest coast of British Columbia, edited by **Rev. J. P. Hicks.** 176p. il. port. Vancouver, Vancouver Bindery.

Potvin, Damase. La Robe Noire; recit des temps héroiques ou fut fondée la Nouvelle France. 236p. Paris, Le Mercure Universelle.

Pourrat, P. Jean Jacques Olier, Foundateur de Saint Sulpice. (Collection Les Grands Coeurs). xx, 220p. il. Paris, Flammarion.

St. Michael's College, Toronto. Institute of Mediæval Studies. The Pamphlet, Nos. 1-28; essays on philosophy and Christian economics. Toronto, the Institute, St. Michael's College.

Shaw, William John, 1883—. St. Paul's Church (Presbyterian), Hamilton, Ontario; a Century of Service, November 18-19-20, 1933. 93p. il. ports. Hamilton, John G. Lowe Print Co. for the Author.

Silcox, Claris Edwin, 1888—. Church Union in Canada, Its Causes and Consequences. xvii, 493p. 23cm. N.Y. Institute of Social and Religious Research.

Sisterhood of Saint John the Divine. Toronto. A Memoir of the Life and Work of Hannah Grier Coome, Mother-Foundress of the Sisterhood of St. John the Divine, Toronto, Canada. ix, 294p. front. pl. ports. London, Oxford.

Yearbook and Clergy List of the Church of England in Canada, 1933. 193p. ports. map. 22cm. Toronto, General Synod of the Church of England in Canada.

United Church of Canada Year Book, 1933. 718p. Toronto, United Church.

Sociology

Canada 1933; the Official Handbook of Present Conditions and Recent Progress. 192p. front. il. ports. map, diagrs. 22cm. Ottawa, Dominion Bureau of Statistics.

Canada Year Book, 1933; the official statistical annual of the resources, history, institutions and social and economic conditions of the Dominion. xxxiv, 1,146p. maps, plans, diagrs. 22cm. Ottawa, King's Printer.

Canadian Almanac and Legal and Court Directory for the Year 1933; ed. by **Arnold W. Thomas** and **Horace C. Corner.** 612p. map. 23cm. Toronto, Copp Clark.

Canadian Annual Review of Public Affairs, 1932; a current history of Canada's political and economic affairs and of her Empire and International relations; thirty-first year of issue. 773p. diagrs. 22cm. Toronto, The Canadian Review Co.

Canadian Political Science Association. Papers and Proceedings of the Fifth Annual Meeting, v.5, Ottawa, Ontario, May, 1933. 256p. 25cm. Kingston, the Jackson Press, for the Association.

Contributions to Canadian Economics. v.6, 1933. (Univ. of Toronto, *Studies,* hist. and economics ser.) 138p. diagrs. 24cm. Toronto, Univ. of Toronto Press.

5,000 Facts About Canada; comp. by **Frank Yeigh.** 1933 ed. xxiv, 72p. maps. 17cm. Toronto, Canadian Facts Pub. Co.

Hankin, Francis, 1882—, and MacDermot, T. W. L., 1896—. Recovery by Control; a diagnosis and analysis of the relations between business and government in Canada. ix, 360p. Toronto, Dent.

Political Economy

Annual Financial Review, Canadian, July, 1933; a carefully revised précis of facts regarding Canadian securities, comp. by **W. R. Houston;** v.33, xlv, 1,156p. 17x22cm. Toronto, Houston's Standard Publications.

Canada. Dept. of Trade and Commerce. Commercial Intelligence Service. The Canadian Industrial Field; a compilation for the guidance of industrialists considering expansion in Canada. 2nd rev. ed. vi, 150p. maps. 25cm. Ottawa, King's Printer.

Canada. Royal Commission on Banking and Currency in Canada, 1933. Report (Rt. Hon. Lord Macmillan, Chairman). 119p. diagrs. 25cm. Ottawa, King's Printer.

Canadian Institute of International Affairs. Canadian Papers, 1933. 99p. Toronto, the Institute.

Canadian Problems, as seen by twenty outstanding men of Canada. 320p. Toronto, Oxford.

Creighton, James Hugh. Central Banking in Canada; introd. by Professor Henry F. Angus, appendix by Professors W. A. Carrothers, C. W. Topping, and E. F. Drummond. 202p. 20cm. Vancouver, Clarke & Stuart Co.

Evans, William Sanford, 1869—. Cost of Government in Canada; introductory studies. 24p. diagrs. 24cm. Montreal, Canadian Chamber of Commerce.

Great Britain. Dept. of Overseas Trade. Economic Conditions in Canada, 1932-1933; Report by **F. W. Field.** (Report no. 554). 181p. 24cm. London, H.M. Stationery Office.

Innis, Harold Adams, 1894—, and Lower, Arthur Reginald Marsden, *ed.* Select Documents in Canadian Economic History, 1783-1885, viii, 846p. 23cm. Toronto, Univ. of Toronto Press.

Jones, Stephen Alfred, 1864—. Is Fascism the Answer? Italy's law of the Unions compared with the N.R.A. 226p. pl. ports. Hamilton, Davis-Lisson.

The Liberal Way; a record of opinion on Canada's problems as discussed at the first Liberal Summer Conference, Port Hope, September, 1933. xi, 294p. 4pl. ports. Toronto, Dent.

Moore, William Henry, 1872—. The Definite National Purpose. xv, 161p. Toronto, Macmillan.

Rhinewine, Abraham, 1887-1932. Looking Back a Century on the Centennial of Jewish Political Equality in Canada. rev. and enl. by Isidore Goldstick. 147p. 21cm. Toronto, Kraft Press, for S. Rhinewine.

Wright, James Richard, 1883—. Fire Insurance; a handbook for property owners. (Pitman's Canadian Insurance ser.). ix, 163p. Toronto, Pitman.

Wright, Philip Quincy, 1890—, *ed.* Public Opinion and World Politics, Lectures on the Harris Foundation, 1933; by **J. W. Dafoe, J. G. Sauerwein, E. Stern-Rubarth, R. H. Lutz, H. D. Lasswell.** xiii, 237p. 19cm. Chicago, Univ. of Chicago Press.

Customs and Tariff

Canada, Dept. of National Revenue. The Customs Tariff and Amendments with Index to Aug. 15, 1933, and also with Appendices, etc. 411p. 28cm. Ottawa, King's Printer.

Handbook of the Canadian Customs Tariff and Excise Duties; comp. by **Michael P. McGoldrick.** Montreal, McMullin.

Law and Administration

Canada. Delegation to the Thirteenth Assembly of the League of Nations, 1932. Report of the Canadian delegates to the Thirteenth Assembly of the League of Nations, Geneva, Sept. 26-Oct. 17, 1932. 23p. 25cm. Ottawa, King's Printer.

Canadian Encyclopedic Digest (Ontario ed.), being a complete digest on the encyclopedic plan of the reported decisions of the Courts of Ontario and of those of Appellate jurisdiction, etc. v.11-12. Toronto, Burroughs & Co.

Canadian Law List, 1933; ed. by **Henry Cartwright.** 511p. Toronto, Canadian Law List Pub. Co.

Dawson, Robert MacGregor, 1895—, *ed.* Constitutional Issues in Canada, 1900-1931. xvi, 482p. 22cm. London, Oxford.

Duncan, Lewis, 1885—, and Reilley, William John, 1882—. Bankruptcy in Canada, second edition of Duncan on Bankruptcy, being the Bankruptcy Act, R.S.C. 1927, c. 11, as amended by (1931) 21-22 Geo. V, cc. 17 and 18, and by (1932) 22-23 Geo. V, c. 39, together with general rules and forms and the Companies' Creditors Arrangement Act, 1933, 23-24 Geo. V, c. 36. cx, 1,218p. 24cm. Toronto, Canadian Legal Authors, Ltd.

Johnson, Walter Seely, 1880—. The Conflict of Laws, With Special Reference to the Province of Quebec. v.I. xlvi, 520p. Toronto, Carswell, for the Author.

Kennedy, William Paul McClure, 1880—, and Finkelman, J. The Right to Trade; an essay in the law of tort with an appendix of Canadian cases. (Univ. of Toronto. *Studies,* legal ser. 2). xvii, 134p. 24cm. Toronto, Univ. of Toronto Press.

Lighthall, William Schuyler, 1895—. Directors' Legal Manual. xxix, 533p. Toronto, Carswell.

Royal Canadian Mounted Police. Canadian Constables' Manual; official manual of the Royal Canadian Mounted Police, rev. by Inspector H. Darling. 2nd ed. 317p. Toronto, Carswell.

Wheare, K. C. The Statute of Westminster, 1931. vii, 128p. 18cm. Oxford, Clarendon.

Withrow, Oswald Charles Joseph, 1878—. Shackling the Transgressor. 256p. Toronto, Nelson.

Imperial Relations

Imperial Economic Conference, Ottawa, 1932. Imperial Committee on Economic Consultation and Co-operation, 1933. Report. 110p 25cm. Ottawa, King's Printer.

Lewin, Percy Evans, 1876—. *comp.* Constitutional Relations of the British Empire, list of publications issued during the years 1926-32. vi, 71p. London, Royal Empire Society.

Commerce and Communication

Canada. Dominion Bureau of Statistics. External Trade Branch. Trade of Canada, year ended Mar. 31, 1932; comp. from records supplied by the Dept. of National Revenue. 853p. 27x34cm. Ottawa, King's Printer.

Thompson, George Norman Vere, 1882—, and Edgar, John Hamilton, 1881—. Canadian Railway Development from the Earliest Times. xvi, 402p. front. pl. 20cm. Toronto, Macmillan.

The Sciences

Adams, Frank Dawson, 1859—. Thomas Sterry Hunt, a biographical memoir. 31p. front. Washington, D.C., National Academy of Sciences.

Bessborough, Vere Brabazon Ponsonby, 9th Earl of, 1880—. Scientific Union Within the Empire. (Address to Roy. Can. Inst., Nov. 19, 1932). 16p. 25cm. Toronto, the Institute.

Canada. Dept. of the Interior. Forestry Service. Native Trees of Canada. (bul. 61, rev. ed.) 216p. il. pl. maps. 25cm. Ottawa, King's Printer.

Chant, Clarence Augustus, 1865—, and Burton, Eli Franklin, 1879—. Text book of College Physics. xiv, 541p. il. col. pl. diagrs. N.Y., Holt.

Cooke, Harold Caswell, 1884—, and Johnston, William Alfred, 1874—. Gold Occurrences of Canada; summary account. (Canada. Geological Survey. Economic Geology, ser. no. 10, rev. ed.). Ottawa, King's Printer.

Hume, George Sherwood, 1893—. Oil and Gas in Western Canada. 2nd ed. (Canada. Geological Survey. Economic Geology ser. no. 5). 359p. maps, plans, diagrs. 25cm. Ottawa, King's Printer.

Ontario Research Foundation. Report for the Year 1932. 39p. front. il. map, diagrs. 25cm. Toronto, King's Printer.

Plaskett, Harry Hemley, 1893—. The Place of Observation in Astronomy; an inaugural lecture delivered before the University of Oxford on Apr. 28, 1933. 32p. Oxford.

Tasker, Cyril, 1899—. A Technical Investigation of Northern Ontario Lignite. 31p. il. map, diagrs. 23cm. Toronto, Ontario Research Foundation.

Useful Arts

Patents

Sadtler, Robert Edward, 1905—. Patent and Trademark Forms for the United States and Canada; with instructions on how to prepare applications. 169p. Charlotteville, Va., Michie Co.

Medicine

American and Canadian Hospitals; a reference book giving historical, statistical and other information on the hospitals and allied institutions of the United States and possessions and the Dominion of Canada; ed. by **James Clark Fifield,** with the co-operation of the American Hospital Association. 1,560p. front. il. Minneapolis, Midwest Pub. Co.

MacDonald, James, 1878—. Dr. Locke, Healer of Men. 6, 83p. front. pl. port. Williamsburg, Ont., the Author.

Solandt, Donald Young, 1907—. Highways to Health. 159p. il. diagrs. Toronto, Ryerson.

Engineering

Mallory, G. D. The Insulation of New and Old Houses. (Canada. Dominion Fuel Board. Pub. 15). 73p. front. il. diagrs. 25cm. Ottawa, King's Printer.

Mining

Bruce, Everend Lester, 1884—. Gold Deposits of Kenora and Rainy River Districts. (Ontario. Dept. of Mines. bul. 85; reprinted from Ontario, Dept. of Mines, *Annual Report.* v.34, pt.6, 1925). i, 45p. il. maps, plans. 25cm. Toronto, King's Printer.

Financial Post Survey of Mines; Canada and Newfoundland, 1933-34. 216p. maps, diagrs. 30cm. Toronto, MacLean Pub. Co.

Gibson, Thomas W. Mining Laws of Ontario and the Department of Mines. ix, 141p. ports. 24cm. Toronto, King's Printer.

Goodwin, William Lawton, 1856—. The Prospector's Handbook. 3rd ed. Gardenvale, Que., Industrial and Educational Pub. Co.

Robinson, Arthur Herbert Ashburner, 1873—. Gold in Canada, 1933. (Canada. Dept. of Mines. Mines Branch). viii, 92p. maps, diagrs. 25cm. Ottawa, King's Printer.

Vivian, Robert Evans, 1893—. A Chemical Engineering Study of Sudbury Ore Processes. 55p. il. diagrs. N.Y. n.p.

Agriculture

Canada. Dominion Bureau of Statistics. Agricultural Branch. Report on the Grain Trade of Canada; for the crop year ended July 31 and to the close of navigation, 1932. 206p. maps, diagrs. 25cm. Ottawa, King's Printer.

Canadian Gladiolus Society. The 1933 Canadian Gladiolus Annual, no. 10. 112p. il. Guelph, the Society.

MacGibbon, D. A. The Canadian Grain Trade. 488p. Toronto, Macmillan. (1932).

Moore, Henry Jackson, 1879—. The Culture of Hardy Perennials and Biennials. (International Garden ser.) xii, 292p. col. front. il. col. pl. plans. Toronto, Ryerson.

Fur, Fish and Timber

Canadian Fisheries Manual, 1933; ed. by **Frederiek William Wallace.** 116p. il. Gardenvale, Que., National Business Publications.

Hudson's Bay Company. Fur Trade Dept. Canada's Fur Bearers; containing notes on the principal fur bearing animals of Canada, trapping and the preparation of furs for the market. 63p. il. port. diagrs. map. 23cm. Winnipeg, the Company.

Morton, B. R. Tree-Repairing. (Canada. Dept. of the Interior. Forestry Service. Bul. 73, 2nd ed.) 20p. il. diagrs. 25cm. Ottawa, King's Printer.

Business and Industries

Burns, Clifford A., 1903—, and Frisby, Walter Gardner, 1889—. Life Insurance Correspondence. 130, viii, p. pl. Toronto, Pitman.

Canada. Dept. of Trade and Commerce. Commercial Intelligenee Serviee. The Canadian Industrial Field; a compilation for the guidance of industrialists considering expansion in Canada. 2nd and rev. ed. vi, 150p. maps. 25cm. Ottawa, King's Printer.

Canada. Dominion Bureau of Statistics. Directory of Chemical Industries in Canada as of date July 1, 1932; 3rd ed. 140p. 25cm. Ottawa, King's Printer.

Canadian Trade Index, 1933. 856p. 25cm. Toronto, Canadian Manufacturers' Association.

Dominion of Canada and Newfoundland Gazetteer and Classified Business Directory, 1933. 42, 293-2,028p. 28cm. Toronto, Canadian Gazetteer Pub. Co.

Financial Post Business Year Book, 1933, Canada and Newfoundland. 184p. maps, diagrs. 31cm. Toronto, MacLean Pub. Co.

Great Lakes Red Book, 1933; comp. by **A. H. Jansson.** Cleveland, O., Penton Pub. Co.

Fine Arts

Canada. National Museum of Canada. Catalogue of Motion Picture Films. 9p. 25cm. Ottawa, King's Printer.

Gibbon, John Murray, 1875—. Magic of Melody; introd. by Christopher Stone, illus. by C. R. Greenwood. xv, 128p. il. ports. music. 20cm. London, Dent.

MacDonald, Thoreau. A Few of the Old Gates at Thornhill and Some Nearby Farms, carefully drawn by Thoreau MacDonald. Toronto, Woodchuck Press, for the Author.

Ontario Association of Arehiteets. Toronto Chapter. Year Book, 1933. 102pl. 80p. 30x23cm. Toronto, the Association.

Price, Frank Percival, 1901—. The Carillon. 228p. pl. map, diagrs. London, Oxford.

Sport

Canada. Dept. of the Interior. Dominion Lands Administration. Northwest Territories Game Regulations; handbook for the information of the public. 32p. diagr. 16cm. Ottawa, King's Printer.

Holman, John Paulison, 1881—. Sheep and Bear Trails, a Hunter's Wanderings in Alaska and British Columbia; introd. by Capt. Robt. A. Bartlett, approved by the Boone and Crockett Club; with 43 illustrations. xvi, 211p. front. pl. ports. N.Y., F. Walters.

Language and Literature

Craigie, Sir William Alexander, 1867—. The Northern Element in English Literature. (Alexander Lectures, Univ. of Toronto, 1931). 135p. Toronto, Univ. of Toronto Press.

Edgar, Osear Pelham, 1871—. The Art of the Novel, From 1700 to the Present Time. x, 481p. 22cm. N.Y., Macmillan.

Gautheron, François-René. Le Patrimoine Acadien. Rennes, France, Oberthur.

Gautheron, François-René. Notre Vieux Rimont. Autun, France, Imprimerie Notre Dame.

Hémon, Louis, 1880-1913. Maria Chapdelaine; illustrations de Clarence Gagnon. 206p. 54 col. il. 25x 20cm. Paris, Mornay.

International Copyright Union. International Convention for the Protection of Literary and Artistic Works, signed at Rome, June 2, 1928, Canadian ratification deposited June 27, 1931. (Canada. Treaty ser. 1931, no. 3). 25p. Ottawa, King's Printer.

Knight, George Wilson, 1897—. The Christian Renaissance; with interpretations of Dante, Shakespeare and Goethe and a note on T. S. Eliot. x, 374p. Toronto, Macmillan.

Leacock, Stephen Butler, 1869—. Charles Dickens; a life. 315p. N.Y., Doubleday Doran.

Leacock, Stephen Butler, 1869—. Mark Twain. (Appleton Biographies). 161p. port. N.Y., Appleton.

MacKenzie, John Joseph, 1865-1922. Number 4 Canadian Hospital; the letters of Professor J. J. MacKenzie from the Salonika front, with a memoir by his wife, Kathleen Cuffe MacKenzie. 247p. il. Toronto, Macmillan.

These Twenty-Five Years; a symposium, by **W. H. Alexander, E. K. Broadus, F. J. Lewis** and **J. M. MacEachran.** 113p. 21cm. Toronto, Macmillan.

Poetry and Drama

Amoss, Harold Edwin, 1880—. Prayer of a Good Trouper. 88p. Toronto, Ryerson.

Benson, Nathaniel Anketell, 1903—. Dollard, a Tale in Verse. illus. by Walter J. Phillips. xii, 44p. il. Toronto, Nelson.

Canadian Authors' Association. Edmonton Branch. Alberta Poetry Year Book 1933-34. Edmonton, the Association.

Canadian Authors' Association. Manitoba Branch. Manitoba Poetry Chapbook, 1933; ed. by **Watson Kirkconnell.** 32p. 20cm. Winnipeg, Israelite Press for the Association.

Clarke, George Herbert. The Hasting Day. 100p. Toronto, Ryerson.

Ewach, Honore, 1900—. Ukrainian Songs and Lyrics. 78p. Winnipeg, Ukrainian Pub. Co.

Greenleaf, Mrs. Elisabeth (Bristol), and Mansfield, Mrs. Grace (Yarrow). Ballads and Sea Songs of Newfoundland; collected and edited by Elisabeth Bristol Greenleaf, music recorded in the field by Grace Yarrow Mansfield. xliv, 395p. pl. ports. music. Cambridge, Mass., Harvard Univ. Press.

Kirkconnell, Watson, 1895—, *tr. and ed.* The Magyar Muse; an anthology of Hungarian poetry, 1900-1932; ed. and tr. together with specimens from Ostiak and Vogul, foreword by Francis Herczeg. 227p. map. 23cm. Winnipeg, Kanadai Magyar Ujsag Press.

MacDonald, James E. H., 1874-1933. West By East, and Other Poems; with drawings by Thoreau MacDonald. vi, 37p. il. Toronto, Ryerson.

MacDonald, Wilson, 1880—. Paul Marchand and Other Poems. Toronto, Pine Tree Pub. Co.

Mackay, Mrs. Isabel Ecclestone (Macpherson), 1875-1928. Goblin Gold; a comedy drama in three acts. 89p. diagrs. N.Y., S. French.

Scott, Frederick George, 1861—. Selected Poems. 118p. Quebec, Emile Robitaille.

Service, Robert William, 1876—. The Complete Poems. 126, 7-137, iv, 172, 192, 7-228p. N.Y., Dodd Mead.

Stringer, Arthur John Arbuthnott, 1874—. Dark Soil. 123p. Indianapolis, Bobbs-Merrill.

Vancouver Poetry Writers' Group. Poems by Members Produced during the Years 1931-33. 38p. 15cm. Vancouver, the Group.

Travel

Bovey, Wilfrid, 1882—. Canadien, A Study of the French Canadians. xvii, 293p. front. pl. port. 20cm. Toronto, Dent.

Deacon, William Arthur, 1890—. My Vision of Canada. x, 309p. Toronto, Ontario Pub. Co.

Dièreville, N. de, b. 1670? Relation of the Voyage to Port Royal in Acadia or New France, tr. by **Mrs. Clarence Webster,** ed. with notes and introd. by **John Clarence Webster.** (Champlain Soc. Pub. 20). xv, 324, xiip. front. pl. port. map, plans, facsim. 24cm. Toronto, the Society.

Garvin, Mrs. Amelia Beers (Warnock) (Katherine Hale, *pseud.*) 1878—. Canadian Cities of Romance, drawings by Dorothy Stevens, twelve illus. in colour by Charles W. Simpson. 240p. il. pl. Toronto, McClelland & Stewart.

Gates, Charles M., *ed.* Five Fur Traders of the Northwest; being the narrative of Peter Pond and the diaries of John Macdonell, Archibald N. McLeod, Hugh Faries and Thomas Connor; with an introd. by Grace Lee Nute. v, 298p. maps. 21cm. Minneapolis, Univ. of Minnesota Press, for the Minnesota Soc. of the Colonial Dames of America.

Jackson, Mary Percy. On the Last Frontier; pioneering in the Peace River block; letters of Mary Percy Jackson. 118p. front. pl. ports. London, Sheldon Press.

Longstreth, Thomas Morris, 1886—. Quebec, Montreal and Ottawa; illus. with photographs and maps. xi, 318p. front. pl. plan. N.Y., Century.

MacMillan, Donald Baxter, 1874—. Four Years in the White North; with a foreword by **Adolphus W. Greely,** with 67 illustrations from photographs by the author. 428p. front. pl. ports. map. Boston, Hale Cushman & Flint.

Mehrhardt-Ihlow, Kurt. Canadisches Nocturno; Trapper-Idyll in Norden Wildnisse. 182p. il. Berlin, Paul Parey.

Rouquette, Louis Frédéric, 1884-1926. Der Geist uber der Einöden; Pionere in Norden Kanadas. Ubertr. von Stefanie Neumann. vi, 164p. map. Freiburg-i. B. Herder.

Scott, J. M. The Land that God Gave Cain; an account of H. G. Watkins' expedition to Labrador, 1928-1929. 282p. pl. maps. London, Chatto & Windus.

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History

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Jenness, Diamond, 1886—, *ed.* The American Aborigines, Their Origin and Antiquity; a collection of papers by ten authors assembled and edited by Diamond Jenness, published for presentation at the Fifth Pacific Science Congress, Canada, 1933. 396p. maps. Toronto, Univ. of Toronto Press.

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Morton, James. Honest John Oliver. 272p. il. ports. Toronto, Dent.

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Roberts, Leslie, 1896—. So This Is Ottawa. xiv, 222p. Toronto, Macmillan.

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Skinner, Constance Lindsay. Beaver, Kings and Cabins; with illus. by W. Langdon Kihn. 273p. il. maps. Macmillan.

Swiggett, Howard, 1891—. War Out of Niagara; Walter Butler and the Tory Rangers. (N.Y. State Hist. Assoc. ser. no. 2). xxv, 309p. front. pl. map, facsims. 23cm. N.Y., Columbia Univ. Press.

Talman, James J. A Secret Military Document, 1825. (Reprinted from *American Hist. Rev.* v.38, no. 2, p.295-300. Jan., 1933). 27cm. Toronto, the Author, Ontario Archives.

Templin, Hugh C., 1896—. Fergus, the Story of a Little Town; with illustrations. 311p. front. il. ports. map, plan, diagr. 20cm. Fergus, News-Record.

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Webster, John Clarence, 1863—. The Career of the Abbé Le Loutre in Nova Scotia; with a translation of his autobiography. 50p. pl. Shediac, N.B., the Author.

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Wetherell, Mrs. Margaret Hubner (Smith), d. 1933. Jubilee History of Thorold Township and Town from the Time of the Red Man to the Present; pub. by John H. Thompson for the Thorold and Beaverdams Historical Society. 15, 212, 77, 80p. il. pl. ports. 22cm. Thorold, Thorold Post Print. & Pub. Co.

Wilson, George Earle, 1891—. The Life of Robert Baldwin; a study in the struggle for responsible government. vii, 312p. 20cm. Toronto, Ryerson.

Wright, Arthur Walker, 1855—, *ed.* Pioneer Days in Nichol, including notes and letters referring to the early settlement of the Township of Nichol and its villages. 2nd ed. 313p. il. ports. maps. Mount Forest, the Editor.

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Amy, William Lacey (Luke Allan, *pseud.*). The Traitor; by Luke Allan. 288p. London, Arrowsmith.

Child, Philip Albert, 1898—. The Village of Souls. 315p. London, Thornton Butterworth.

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Constantin-Weyer, Maurice, 1881—. Un Homme se Penche sur son Passé; ed. by **Eliot G. Fay** and **Edward B. Ham.** xxxi, 194, lxxxp. N.Y., Holt.

De La Roche, Mazo, 1885—. The Master of Jalna. viii, 379p. Boston, Little Brown.

Durie, Mrs. Anna. John Dangerfield's Strange Re-Appearance. 404p. Toronto, the Author.

Erskine, Laurie York, 1894—. Renfrew's Long Trail. il. by Neil O'Keefe. viii, 303p. N.Y., Appleton-Century.

Foley, Pearl (Paul de Mar, *pseud.*). The Gnome Mine Mystery; a Northern Ontario mining story. 255p. London, John Hamilton.

Gordon, Charles William (Ralph Connor, *pseud.*), 1860—. The Girl From Glengarry; by Ralph Connor. 312p. 19cm. Toronto, McClelland & Stewart.

Grove, Frederick Philip, 1872—. Fruits of the Earth. viii, 336p. 19cm. Toronto, Dent.

Hatzan, Alexander Leon, 1864—. Mam'selle l'Ange Vox. 180p. 52pl. Niagara Falls, Ont., Mohawk Book & Music Co.

Howard, Allen Leslie, 1874—. The Magnificent Eugenic; or "Give Me Joseph". 283p. il. Brampton, Ont., Charters Pub. Co.

Keirstead, Burton Seely, 1907—, and Campbell, Donald Frederick, 1906—. Brownsville Murders. 275p. Toronto, Macmillan.

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Longstreth, Thomas Morris, 1886—. In Scarlet and Plain Clothes. ix, 365p. Toronto, Macmillan.

Medary, Marjorie. Prairie Anchorage; il. by John Gincano. viii, 278p. front. il. N.Y., Longmans Green.

Mitchell, John, 1882— (Patrick Slater, *pseud.*). The Yellow Briar; a story of the Irish on the Canadian countryside. 253p. Thomas Allen.

Paterson, Mrs. Isabel M. (Bowler). Never Ask the End. 332p. N.Y., Morrow.

Roberts, Charles George Douglas, 1860—. Eyes of the Wilderness. 269p. Toronto, Macmillan.

Roberts, Kenneth Lewis, 1885—. Arundel; a chronicle of the Province of Maine and of the secret expedition led by Benedict Arnold against Quebec. 4,632p. N.Y., Doubleday Doran.

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Smith, Jessie Garden. "Crosscuts", a story of the Pacific Northwest, a picturesque tide of life, moving in and out of Vancouver, British Columbia. 217p. front. Portland, Ore., Metropolitan Press.

Stringer, Arthur John Arbuthnot, 1874—. Marriage By Capture. 316p. Indianapolis, Bobbs-Merrill.

Whitlock, Brand, 1869—. The Stranger on the Island. 268p. N.Y., Appleton.

Boys' and Girls' Books

Mayol, Mrs. Lurline (Bowles). The Big Canoe; il. by W. Langdon Kihn. vi, 257p. il. N.Y., Appleton-Century.

Montgomery, Mrs. Lucy Maud (MacDonald), 1874—. Anne of Green Gables; with eight illustrations in full colour from paintings by Sybil Tawse. 396p. front. pl. Boston, Page.

Montgomery, Mrs. Lucy Maud (MacDonald), 1874—. Pat of Silver Bush; with a frontispiece in colour by Edna Cooke. viii, 329p. front. 19cm. Toronto, McClelland & Stewart.

Moore, Kathleen, and McEwen, Jessie. A Picture History of Canada. 103p. pl. Toronto, Nelson.

Rankin, Mrs. Carroll (Watson), 1870—. Wolf Rock; a sequel to The Cinder Pond. xiii, 286p. N.Y., Holt.

Wallace, Archer, 1884—. Poor Men Who Made Us Rich; illus. by Norman Deer. xi, 130p. il. ports. 19cm. Toronto, Ryerson.

Wilson, Clifford. Adventurers All; tales of forgotten heroes in New France, with 9 illus. by A. Sherriff Scott. xvi, 244p. il. Toronto, Macmillan.

CANADIAN OBITUARY FOR 1933-34

(July 1 to Dec. 31, 1933)*

Ardagh, K.C., Holford, Secretary of the Upper Canada Law Society, 1922-34; second in command of the 124th (Pals) Battalion, C.E.F.,—at Toronto, on Oct. 31, aged 62 years.

Armour, C.M.G., F.R.C.S., M.R.C.P., Donald John, surgeon to the National Hospital for Nervous Diseases, London, England; consulting surgeon to the West London Hospital; Treasurer and former President of the Medical Society of London; and fifth son of the Hon. John Douglas Armour, a former Chief Justice of Ontario,—at London, Eng., on Oct. 23.

Béique, K.C., LL.D., the Hon. Frederick L., a Member of the Senate of Canada (Liberal), 1902-34; President of the Banque Canadienne Nationale; member of the Executive Committee of the University of Montreal; and Officer of the Legion of Honour of France,—at Montreal, on Sept. 12, aged 88 years.

Bernard, Rev. Joseph Cleophas Bernard, titular Canon of St. Hyacinthe Cathedral,—at St. Hyacinthe, Que., on Oct. 13, aged 84 years.

Bowser, K.C., William John, Independent-Non-Partisan candidate in the 1933 General Election of British Columbia (Nov. 2); and Conservative Prime Minister of that Province, 1916-18,—at Vancouver, on Oct. 25, aged 65 years.

Bradburn, Thomas Evans, a former Member of the Ontario Legislature, and a past President of the Peterborough Agricultural Society,—at Peterborough, Ont., on Nov. 16, aged 81 years.

Brock, D.C.L., Colonel Henry, Barrister; Vice-President of the W. R. Brock Company, Limited, Montreal; Colonel in command, 10th Royal Grenadiers, serving during the North-West Rebellion, 1885; Chief Recruiting Officer, Second Military District, 1915-16; Director of National Service, 1916; elected a member of the Senate of the University of Toronto, 1920; and President of the Toronto Board of Trade, 1913,—at Toronto, on Aug. 27, aged 74 years.

Burrows, M.A., B.A.Sc., Alfred Grenville, Provincial Geologist for Ontario, —at Toronto, on Sept. 2, aged 55 years.

Cameron, M.B., F.R.C.S., Irving Heward, *Emeritus* Professor of Surgery of the University of Toronto and one of the founders of the Faculty of Medicine of that institution; chief consulting surgeon of the Toronto General Hospital and the Hospital for Sick Children; elected President of the Canadian Medical Association, 1898; a Fellow of the Royal Colleges of Surgeons at both London and Edinburgh; and the oldest son of Sir Matthew Crooks Cameron, one-time Chief Justice of the Common Pleas of Ontario,—at Toronto, on Dec. 15, aged 78 years.

Carmichael, M.D., Henry B., former Assistant Chief Medical Officer of the Canadian National Railways; a Past Master of the University Lodge A.F. and A.M., Montreal, and former District Deputy Grand Master of the Grand Lodge of Quebec,—at Bournemouth, England, on Dec. 19, aged 66 years.

Carpenter, Isaac W., a former Member of the New Brunswick Legislature, 1896-1912,—at Carpenter's, N.B., on Oct. 13, aged 84 years.

Casavant, Joseph Claver, Commander of the Order of St. Gregory the Great; and President of Casavant Frères, internationally-known organ manufacturers,—at St. Hyacinthe, Que., on Dec. 10, aged 78 years.

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*NOTE.—See page 565 for Obituary from Jan. 1, to Dec. 31, 1934.

Champoux, John, President of the Port Royal Pulp and Paper Company of Quebec,—at Quebec, Que., on Nov. 3, aged 81 years.

Charlebois, the Right Rev. Ovide, Vicar-Apostolic of Keewatin diocese; Catholic missionary for many years in the Hudson's Bay district,—at Le Pas, Man., on Nov. 20, aged 71 years.

Cleland, M.D., Frederick A., a former President of the Canadian Academy of Medicine; a Fellow of the American College of Surgeons; a past Vice-President of the American Association of Gynæcologists, Obstetricians and Abdominal Surgeons,—at Toronto, on Nov. 26, aged 60 years.

Cummings, Charles Victor, Vice-President and Managing Director of the Northern Construction Company, Ltd.; and a Director of Canadian General Securities, Ltd.,—at Los Angeles, on Nov. 7, aged 54 years.

Cummings, M.D., Samuel, Toronto surgeon and pioneer in diagnostic and therapeutic X-ray work in Canada,—at Havana, Cuba, on Dec. 18, aged 67 years.

Currie, G.C.M.G., K.C.B., LL.D., General Sir Arthur William, Principal and Vice-Chancellor of McGill University; and Commander-in-Chief of the Canadian Corps during the Great War,—at Montreal, on Nov. 30, aged 57 years.

Cushman, Sturgis Salmon, a former Vice-President of the E. B. Eddy Company, Ltd.,—at Hull, Que., on Sept. 26, aged 84 years.

Dalton, the Hon. Charles, Lieutenant-Governor of Prince Edward Island; Member of the Legislative Assembly from 1912 to 1919; and one of the founders of the silver-fox industry in Canada,—at Charlottetown, on Dec. 9, aged 83 years.

Daniels, Francis G., President and Managing Director of the Dominion Textile Company, Limited; and Director of Montreal Cottons, Limited,—at Montreal, on Oct. 16, aged 59 years.

D'Auteuil, the Hon. Pierre, Judge of the Superior Court of Quebec; Conservative Member of the Legislature, Charlevoix County, 1897-1919,—at Quebec city, on Dec. 11, aged 76 years.

de Boucherville, K.C., Joseph Boucher, head of the legal firm of de Boucherville, Mathieu and de Boucherville; a Director of the Banque Provinciale du Canada; a Director of Notre Dame Hospital; and a son of Sir Charles E. B. de Boucherville (Conservative Prime Minister of Quebec, 1874-78 and 1891-92)—at Boucherville, Que., on Aug. 6, aged 62 years.

Denton, LL.B., James Herbert, Senior Judge of the County Court of York, Ontario; and former Senior Police Magistrate of Toronto,—at Metis, Que., on Aug. 10, aged 67 years.

Doolittle, M.D., Perry E., specialist in electro-therapeutics and dual surgery; President of the Canadian Automobile Association, 1920-33,—at Toronto, on Dec. 31, aged 72 years.

Douglas, John B., President of the Halifax Fire Insurance Company; Vice-President of the Eastern Trust Company; and Liberal Member of the Nova Scotia Legislature, 1916-25,—at Halifax, N.S., on Nov. 17, aged 62 years.

Dunn, James A., Vice-President of the Toronto International Baseball League Club,—at Toronto, on Aug. 28, aged 51 years.

Elliott, Frederick W., Liberal Member of the Ontario Legislature for North Bruce, 1929-33,—at Port Elgin, Ont., on Nov. 26, aged 60 years.

Fisher, the Hon. John Henry, Senator of Canada, 1917-33; Member of the House of Commons, 1911-17; Member of the Ontario Legislature, 1905-11; and Mayor of Paris, Ont., for five years,—at Paris, Ont., on Dec. 1, aged 78 years.

FitzGibbon, Mrs. Clare (Lally Bernard, *pseud.*), journalist, formerly on the staff of *The Mail and Empire,* Toronto; representative of that paper at the Coronation of King Edward,—at Victoria, B.C., on July 17, aged 69 years.

Fraser, William Alexander, novelist, journalist, poet and short-story writer, —at Toronto, on Nov. 10, aged 75 years.

Green, Frederick William, a former General Manager for Central America of the Confederation Life Association (26 years),—at Montreal, on Dec. 18, aged 74 years.

Groff, Henry H., horticulturist; winner of the Gold Medal Grand Prize at the World's Fair in St. Louis in 1904 for his scientific hybridization of gladioli,—at Simcoe, Ont., on Oct. 21, aged 80 years.

Hamilton, Colonel Charles Frederick, Liaison Intelligence Officer of the Royal Canadian Mounted Police, 1922-33; previously connected with four Canadian newspapers, representing *The Globe,* Toronto, during the Boer War in South Africa; Deputy Chief Censor at Militia Headquarters, Ottawa, during the Great War,—at Ottawa, on Dec. 4, aged 64 years.

Harbottle, C.M.G., D.S.O. and bar, V.D., Lieut.-Col. Colin Clark, Honorary Lieutenant-Colonel of the Toronto Scottish Regiment, formerly the 75th Battalion which he commanded during the latter part of the Great War; and formerly Brigadier of the 14th Infantry Brigade, 1928-1931; was recommended for the Victoria Cross,—near Beaumaris, Muskoka, on Oct. 19, aged 58 years.

Harris, Robert Brooks, founder of *The Hamilton Herald,*—at Hamilton, on July 23, aged 74 years.

Hawkes, Arthur, internationally-known journalist and reformer; Editor of *The Toronto World* (defunct); aided in the founding of the Amalgamated Press Service in Canada, out of which The Canadian Press emerged; and was Publicity Director of the Canadian Northern Railway,—at Toronto, on Oct. 12, aged 61 years.

Henderson, George, President and General Manager of Brandram-Henderson, Limited; and a former President of the Montreal Board of Trade,—at Montreal, on July 6, aged 55 years.

Henry, Philip James, Conservative Member of the Ontario Legislature for East Kent, 1929-33,—at Ridgetown, Ont., on Aug. 13.

Hodgson, L.R.C.I., J.P., Arthur J., President of Hodgson, Rowson and Company, Limited, and Director of the Crown Trust Company,—at Montreal, on Dec. 3, aged 73 years.

Holmes, Richard H., Toronto barrister; one of the first white men to penetrate Tibet and a member of the Darling expedition that explored interior Australia,—at Toronto, on Oct. 6, aged 77 years.

Horton, Albert E., Chief Clerk of Sessional Papers of the House of Commons, —at Ottawa, on July 6.

Johnson, K.C., Archibald Mainwaring, former Deputy Attorney-General of British Columbia and first Chairman of the Liquor Control Board,—at Victoria, on Sept. 29, aged 63 years.

Johnston, Major Lukin, writer; Chief correspondent of the London Bureau of the Southam Newspapers of Canada,—*en route,* Holland to England on the *Prague,* on Nov. 17, aged 46 years.

Keightly, Lieut.-Col. W. J., Chief Inspector of Munitions at the Dominion Arsenal, Quebec city,—at Quebec, Que., on Oct. 11.

Kidd, M.D., C.M.G., LL.D., John Franklin, noted surgeon of Ottawa; Surgeon-in-Chief at No. 7 (Canadian) General Military Hospital, Le Treport, Etaples, France, during the Great War (1916-18); and a former President of the Canadian Medical Association,—at Longfields, Ont., on July 13, aged 68 years.

Langley, George, former Minister of Municipal Affairs for the Province of Saskatchewan; elected Liberal Member of the Legislature for Redberry in 1905; member of the Saskatchewan Elevator Commission of 1910,—at Maymont, Sask., on Aug. 26, aged 80 years.

Lemieux, Kt., the Hon. Sir Francois Xavier, Chief Justice of the Superior Court of the Province of Quebec; in 1885 was one of the defence counsel at the trial of Louis Riel; Member of the Quebec Legislature, 1883-97; and Commander of the Order of St. Gregory,—at Quebec, on July 18, aged 82 years.

Lofthouse, the Rt. Rev. Joseph, missionary for the Church of England in Canada for 38 years among the Eskimoes; later, Bishop of Moosonee; and author of *One Thousand Miles from a Post Office,*—at Dawlish, South Devon, England, on Dec. 16, aged 78 years.

Loudon, John S., former Assistant Manager and Director of the Standard Bank of Canada (defunct),—at Toronto, on Sept. 28, aged 82 years.

Macdiarmid, the Hon. Finlay G., Minister of Public Works and Highways for Ontario, 1914-19; and Member of the Ontario Legislature for 31 years,—at Toronto, on July 15, aged 63 years.

Machray, K.C., John A., a former Chairman of the Board and Bursar of the University of Manitoba; former Chancellor of the Diocese of Rupert's Land of the Church of England in Canada; and an investment banker,—at Stony Mountain Penitentiary (See *The Canadian Annual Review, 1933,* p. 278), on Oct. 5, aged 68 years.

MacLaren, John Albert, a former Director of the Steel Equipment Company of Pembroke,—at Ottawa, on Oct. 6, aged 61 years.

MacMechan, Ph.D., LL.D., Archibald, writer and *littérateur; Emeritus* Professor at Dalhousie University; George Munro Professor of English Language and Literature for 42 years,—at Halifax, on Aug. 7, aged 71 years.

Macoun, D.Sc.A., William Terrill, Dominion Horticulturist,—at Ottawa, on Aug. 13, aged 64 years.

Macpherson, William Molson, Knight of Grace, Order of Saint John of Jerusalem; appointed President of the Molson's Bank, 1897, before its merger with the Bank of Montreal; member of the Quebec Harbour Commission in 1895; Honorary Lieutenant-Colonel of the 8th Regiment Royal Rifles,—at Quebec, on Aug. 13, aged 85 years.

Magee, C.E., Colonel Boyd, mentioned in dispatches during the South African War; a former Member of the Royal Leinsters of the Imperial Army; prize winner as a marksman at Bisley; President of Regina Gold Mines at Lake of the Woods and original engineer of Keeley Silver mine,—*en route* to Canada aboard the *Duchess of Atholl,* on Nov. 27, aged 61 years.

Malte, M. O., Chief Botanist, National Herbarium, of the Dominion Department of Mines,—*en route* to Ottawa, on Aug. 12, aged 53 years.

Marriott, Harold Frederick, partner in the brokerage firm of Osler and Hammond, 1912-33, and a member of the firm for 40 years,—at Toronto, on Dec. 29, aged 54 years.

McLaughlin, D.D., the Rev. John Fletcher, *Emeritus* Professor of Victoria University; formerly Dean of the Faculty of Theology and Professor of Oriental Languages,—at Toronto, on July 5, aged 69 years.

McPherson, W. J., a former President and Secretary of the National Labour Council in Toronto,—at Sydney, N.S., on Oct. 15.

McQueen, Alexander Murray, a former Vice-President of Imperial Oil, Limited, and International Petroleum Company, Limited,—at Toronto, on Dec. 4, aged 65 years.

McVittie, William, founder of the Wahnapitae Power Company,—at Sudbury, Ont., on Oct. 16, aged 80 years.

Miles, B.Ph.D., Arthur, President and Managing Director of Central Manitoba Mines; and former Managing Director of the International Nickel Company,—at Whitemouth, Man., *en route* to Toronto, on Oct. 17, aged 59 years.

Miller, Roy McLean, General Manager, Roger Miller and Sons of Toronto, —at Montreal, on July 6, aged 48 years.

Mountford, Albert Edward, Director of Drummond, McCall and Company, Limited,—at Montreal, Oct. 18, aged 66 years.

Murphy, Mrs. Arthur (*née* Emily Ferguson), noted writer under *pseud.* "Janey Canuck;" Magistrate of the Juvenile Court of Edmonton, 1916-31; said to be the first woman in the British Empire to be appointed a judge of any court of law; leader of the movement to allow women to sit in the Senate,—at Edmonton, on Oct. 26, aged 65 years.

Nasmith, K.C., Charles B., member of the law firm of Nasmith, Fennell and Porter, Toronto; examiner of the Law Society for several years; Publicity Chairman of the Conservative Party in several Dominion General Elections,—at Toronto, on Aug. 17, aged 58 years.

Norcross, Joseph William, a former President of Canada Steamship Lines, Limited; and Director of several other shipping firms,—at Foster, Que., on Dec. 25, aged 62 years.

Osler, K.C., Henry Smith, member of the firm of Osler, Hoskin and Harcourt of Toronto,—at Montreal, on Dec. 8, aged 70 years.

Pelletier, M.D., Louis Martial, former official translator of the Department of Archives for many years,—at Hawkesbury, Ont., on Sept. 16, aged 70 years.

Poirier, F.R.S.C., the Hon. Pascal, author; and Member of the Senate of Canada,—at Ottawa, on Sept. 25, aged 81 years.

Raney, B.C.L., K.C., the Hon. William Edgar, Justice of the High Court Division of the Supreme Court of Ontario; Attorney-General for the Province in the Drury Administration, 1919-23,—at Toronto, on Sept. 24, aged 73 years.

Reid, M.D., James W., Liberal Member of the Nova Scotia Legislature for Hants County, 1911-25,—at Windsor, N.S., on Oct. 30, aged 75 years.

Rigby, M.A., LL.D., Rev. Oswald, former Headmaster of Trinity College School, Port Hope,—at Port Hope, Ont., on July 26, aged 74 years.

Robertson, the Hon. Gideon Decker, Member of the Senate of Canada, 1917-33; former Minister of Labour in the Bennett Cabinet,—at Ottawa, on Aug. 25, aged 59 years.

Robertson, John D., Deputy Minister of Public Works for Alberta,—at Edmonton, on Aug. 3, aged 52 years.

Robinson, Bart., Sir John Beverley, fourth baronet; grandson of a former Chief Justice of Upper Canada; and formerly of the Toronto brokerage firm, Robinson and Heath,—at Burks Falls, Ont., on Nov. 11, aged 84 years.

Rose, Daniel Alexander, General Manager of the Hunter Rose Company, Limited, publishers of Toronto; was instrumental, as President of the Canadian Copyright Association, in having the Canadian Copyright Act brought into force in 1924; a Past President of the Canadian Lacrosse Association,—at Toronto, on Oct. 15, aged 73 years.

Russell, William, Vice-President and Managing-Director of the lumber firm of James Richardson and Company, Limited,—at Matane, Que., on Sept. 8, aged 61 years.

Shenstone, Joseph Newton, Chairman of the Board of the Massey-Harris Company, Limited, with whom he was connected for 52 years; and Governor of McMaster University,—at Toronto, on Sept. 18, aged 78 years.

Skinner, Frederick J., Member of the Ontario Legislature for Leeds,—at Kingston, Ont., on Nov. 5, aged 66 years.

Smith, Charles Oliver, Washington, D.C., correspondent for the Southam Press,—at Washington, U.S.A., on Dec. 18, aged 52 years.

Snively, Mary Agnes, first woman Superintendent of the Toronto General Hospital and of the Nurses Training School; organizer of the Canadian National Association of Trained Nurses, later known as the Canadian Nurses' Association,—at Toronto, on Sept. 26.

Stephen, William Frank, Secretary of the National Dairy Council for six years,—at Ottawa, on Oct. 13, aged 70 years.

Stewart, C.B.E., M.B., C.M., LL.D., F.R.C.S., Colonel John, first Dean of Dalhousie Medical School; in command during the Great War of No. 7 Stationary Hospital and later Consulting Surgeon for the Canadian Army Medical Corps; and associated as House Surgeon at King's College Hospital, London, with Lord Lister,—at Halifax, on Dec. 26, aged 86 years.

Tamblyn, Gordon, founder of the druggist chain stores of Tamblyn's Limited,—at Toronto, on Aug. 18, aged 55 years.

Thompson, Colonel John T., for fifty-six years Supervisor of Cadet Training in Toronto public schools,—near Port Severn, Ont., on July 17, aged 80 years.

Webster, George Harry, Liberal House Leader in the Alberta Legislature, 1926-32; four times Mayor of Calgary; aided in the construction of the Edmonton and Dunvegan Railway in the Peace River country,—at Calgary, on Nov. 9, aged 65 years.

Wells, W. C., Minister of Lands for British Columbia in the Dunsmuir Administration,—at Vancouver, on Oct. 20, aged 93 years.

Whatley, E. S., Progressive Member of the Saskatchewan Legislature, 1925-33,—at Kindersley, Sask., on Dec. 16, aged 55 years.

Wheatley, M.C., Lieut.-Col. Ronald Owen, Managing Director of the advertising firm of Vickers and Benson, Limited, of Montreal; Adjutant of the 11th Reserve Battalion in England during the Great War; Brigadier-Major of the 8th Infantry Brigade, Canadian Militia, 1929; Adjutant of the Canadian Bisley team in 1926; and a former private secretary to the Rt. Hon. W. L. Mackenzie King,—at Montreal, on Dec. 3, aged 47 years.

Whitney, Mrs. Edwin C. (*née* Sarah Chrysler), philanthropist; widow of Edwin C. Whitney, Ottawa philanthropist, financier and lumberman,—at Ottawa, on Oct. 4.

Wilson, Jean, undefeated holder of the North American women's championship speed skating titles at five distances,—at Toronto, on Sept. 3, aged 23 years.

Woods, George Brewer, President, Managing Director and founder of the Continental Life Insurance Company; former Chairman of the Navy League Immigration Committee; Director of Wycliffe College; a former President of the Toronto Cricket Council; Past President of Saint George's Society, Toronto; and prominent in social service work,—at Toronto, on Oct. 27, aged 67 years.

Wright, M.A., B.Sc., LL.D., Ramsay, author; *Emeritus* Professor of Biology of the University of Toronto and Vice-President,1901-12,—at Droitwich, Worcestershire, England, on Sept. 6, aged 81 years.

(Jan. 1 to Dec. 31, 1934)

Abbott, Ph.D., Albert Holden, a former Professor of Philosophy of the University of Toronto and Secretary, for a time, of the University Extension; Secretary, during the Great War, of the Organization of Resources Committee for Ontario and of the Citizens' Recruiting League of Toronto; Director of Labour for the Imperial Munitions Board for Ontario; and General Secretary, at Toronto, of the Canadian Red Cross Society,—at Toronto, on Aug. 5, aged 62 years.

Allan, Arthur Campbell, Chairman, Willis, Faber and Dumas, Limited, Insurance brokers of London, England; member of the Committee of Lloyd's, 1917-20; and third son of the Hon. G. W. Allan of Moss Park, Toronto, one-time Speaker of the Senate of Canada,—at London, England, on Mar. 16.

Ames, Alfred Ernest, President, A. E. Ames and Company, Limited, investment bankers of Toronto; President of the National Sanitarium Association; Chairman of the Finance Committee of the United Church of Canada; and President of the Toronto Stock Exchange, 1897-98,—at Toronto, on Sept. 20, aged 68 years.

Anderson, Harley Christian Erskine, Co-operative Commonwealth Federation Member of the British Columbia Legislature for North Vancouver,—at Vancouver, on Apr. 17.

Archer, B.C.L., the Hon. Charles Hector, Puisine Judge of the Superior Court of the Province of Quebec, 1910-1933; Judge of the Exchequer Court of Canada, Quebec Admiralty Division, 1926-1928; Life Governor of the Montreal General Hospital and of Notre Dame Hospital,—at Montreal, on June 18, aged 65 years.

Archibald, F.R.S.A., John Smith, Vice-Chairman of the Montreal Tramways Commission; and President of the Quebec Association of Architects, 1898,—at Montreal, on Mar. 2, aged 61 years.

Armour, K.C., the Hon. Eric Norman, Justice of the Supreme Court of Ontario; member of the Board of Governors of the University of Toronto; and son of the Hon. J. D. Armour, a former Chief Justice of Canada,—at Toronto, on Mar. 11, aged 57 years.

Armstrong, C.B., C.M.G., V.D., Maj.-Gen. C. J., Staff Director of Railways for the South African Field Force during the Boer War; held various engineering commands during the Great War; Officer Commanding Military District No. 4, Montreal, 1919-1926, and later of Military District No. 1, London, Ont.,—at Montreal, on Jan. 23.

Auger, B.A., Charles Earl, for twelve years Registrar of Victoria College, University of Toronto and a former Professor of English Literature,—at Toronto, on Dec. 13, aged 57 years.

Austin, Albert William, President of the Consumers' Gas Company; President of the Dominion Bank, 1925-1933; pioneer in the development of electrified urban transportation in Canada,—at Toronto, on July 5, aged 77 years.

Balfour, George Hopper, of Winnipeg, Manitoba; former General Manager of the Union Bank of Canada (defunct) with which he had been connected for 47 years,—at La Jolla, Calif., U.S.A., on Feb. 17, aged 85 years.

Ballard, M.A., LL.D., William Henry, General Adviser of the Hamilton Board of Education and former Superintendent of Education; an official of the Board for 57 years,—at Hamilton, on Aug. 4, aged 88 years.

Bayly, K.C., Edward, Deputy Attorney-General for Ontario, 1919-34; and President of the Canadian Rugby Union, 1898,—at Toronto, on Jan. 29, aged 68 years.

Beardmore, George Wathen, Honorary President of the firm of Beardmore and Company, tanners and leather merchants of Toronto; Director of the Canadian General Electric Company; a former President of the National Life Assurance Company of Canada; M.F.H., Toronto (Eglinton) Hunt Club, 1894-1932; President of the Canadian National Horse Show Association for 18 years; Director of the International Horse Show, London, England, 1907-1933; and President, St. George's Society, Toronto, 1887,—at Toronto, on Oct. 10, aged 83 years.

Beattie, Dr. William Walter, Lecturer in Bacteriology at McGill University and Assistant Bacteriologist of the Royal Victoria Hospital, Montreal,—in England, on Apr. 13.

Beauchamp, Dr. Arthur, a former Professor in the Dental Department of the University of Montreal; and in charge of the dental clinic at the Notre Dame Hospital,—at Montreal, on Mar. 19, aged 57 years.

Beemer, M.D., Nelson H., outstanding authority on mental diseases; for 50 years associated with the Ontario Hospitals at Hamilton, London and Mimico; former examiner and extra-mural Professor of Mental Diseases at the University of Toronto,—at Toronto, on Sept. 24, aged 82 years.

Bell, O.B.E., M.A., Ph.D., LL.D., Major James Mackintosh, author; Field Director for the Ontario Bureau of Mines; former Assistant Field Geologist for Canada; a former President of the Australian Institute of Mining Engineers; Director of the Geological Survey of New Zealand, 1905-11; served in the Great War as Captain in the 73rd Battalion and later in the Military Intelligence Department, Imperial Forces in Russia,—at Almonte, Ont., on Mar. 31, aged 56 years.

Bensley, Ph.D., Benjamin A., Head of the Department of Biology at the University of Toronto; Director of the Royal Ontario Museum of Zoology; and organizer of the Ontario Fisheries Branch Laboratory,—at Toronto, on Jan. 20, aged 58 years.

Bernier, Captain Joseph Elzear, explorer and discoverer of many Arctic areas for Canada; in 1908 he set the Canadian flag on Cone Island where he found the lost records of Admiral Perry; associated for some years with the Department of the Interior, Ottawa,—at Levis, Que., on Dec. 26, aged 82 years.

Biggar, George Coltman, senior partner in the stock brokerage firm of Biggar and Crawford of Toronto; a barrister; and formerly City Editor and, later, Financial Editor of *The Globe*,—at Toronto, on Oct. 29, aged 67 years.

Biscoe, Colonel Vincent Robert, Commandant of the Imperial Forces in Canada, 1900-02; Supervisor of the Manufacture of Munitions during the Great War for Canada; and served with the 47th Regiment of Foot in the Fenian Raid of 1866,—at Toronto, on Mar. 29, aged 88 years.

Black, M.D., Davidson, Professor of Neurology and Embryology at Peiping Union Medical College of the Rockefeller Foundation, China; a former Captain in the Canadian Army Medical Corps,—at Peiping, China, on Mar. 15, aged 50 years.

Black, the Hon. William Anderson, Conservative Member of the House of Commons for Halifax, 1923-24; Minister of Railways and Canals in the Meighen Cabinet, 1926; a former Member of the Nova Scotia Legislature; and Director of the Royal Bank of Canada,—at Halifax, on Sept. 1, aged 87 years.

Black, Walter A., Grand Master of the Independent Order of Odd Fellows for Ontario,—at Renfrew, Ont., on Nov. 25, aged 58 years.

Blacklock, Thomas, member of the Press Gallery, House of Commons, for twenty years; formerly associated with *The Mercury,* Guelph, Ont.,—at Ottawa, on Aug. 2, aged 61 years.

Blewett (Mrs. Bassett) Jean, *née* McKishnie, novelist, poetess and journalist; staff writer and former editor of the Homemaker's Department of *The Globe,* Toronto,—at Chatham, Ont., on Aug. 19, aged 71 years.

Booth, Walter E., President of the W. E. Booth Company, Limited, graphic art and lithographers supplies; and formerly on the editorial staffs of *The Tribune,* Detroit, and *The Journal,* Chicago,—at Toronto, on Oct. 27, aged 60 years.

Boulton, H. Rudyerd, associated with the Bank of Montreal for forty-five years; grandson of the Hon. Henry John Boulton, Holland House, Toronto, at one time Chief Justice of Newfoundland; and later Attorney-General for Upper Canada,—at St. Petersburg, Fla., U.S.A., on Dec. 29.

Boyd, M.D., Geoffrey, nose and throat specialist of Toronto; and third son of Sir John Boyd, one-time Chancellor of the Law Society of Upper Canada,—at Toronto, on Dec. 23, aged 67 years.

Boyd, J. Sutton, Editor of *The Moncton Daily Times,* with which he had been associated for 63 years,—at Moncton, N.B., on June 11, aged 76 years.

Braithwaite, Arthur Douglas, a former Assistant General Manager of the Bank of Montreal,—at Montreal, on Apr. 11, aged 78 years.

Brossard, the Hon. Louis J. Arthur, Judge of the Superior Court of Quebec,—at Montreal, on Jan. 19, aged 63 years.

Byrne, the Hon. James Paul, member of the King's Bench Division of the Supreme Court of New Brunswick; and Attorney-General for the Province of New Brunswick in the Foster Cabinet (1917-24),—at Bathurst, on Jan. 22, aged 64 years.

Caldwell, Robert C., President of the Caldwell Linen Mills,—at Iroquois, Ont., on June 22, aged 74 years.

Cameron, Joseph Robert, Assistant General Manager of the Canadian National Railways at Vancouver with jurisdiction over the British Columbia district, 1920-29; and formerly General Superintendent of Western Lines for the Canadian Northern Railway,—at Vancouver, B.C., on Feb. 9, aged 68 years.

Carr, M.D., L.R.C.P., L.R.C.S. (Edin.), L.F.P. and S. (Glasgow), Sheriff of Wentworth County, Ont., and Minister without Portfolio in the Ferguson Cabinet of Ontario,—at Hamilton, Ont., on June 6, aged 69 years.

Carscadden, LL.D., Thomas, Principal of Galt Collegiate, 1884-1914; and formerly House Master at Upper Canada College, Toronto,—at Galt, Ont., on May 25, aged 86 years.

Carveth, M.D., George H., member of the staff of the Western Hospital of Toronto, of which he was one of the founders,—at Newcastle, Ont., on Jan. 26, aged 75 years.

Cayley, His Honour Hugh St. Quentin, Senior Judge of the County Court of Vancouver, 1917-33, first Editor of *The Calgary Herald*,—at Vancouver, B.C., on Apr. 13, aged 76 years.

Chisholm, K.C., Christopher P., Minister without Portfolio, 1903-07, and Commissioner of Works and Mines, 1907-11, for the Province of Nova Scotia in the Murray Cabinet,—at Antigonish, N.S., on Mar. 5, aged 79 years.

Christian, C.S.B., the Rev. Michael Patrick, Master of Novices at Toronto of the Basilian Order of Catholic priests, 1910-16,—at Toronto, on Dec. 4, aged 75 years.

Clare, B.A., Alfred N. W., Vice-President and General Manager of Clare Brothers and Company, Limited, Preston,—near Galt, Ont., on Aug. 4, aged 56 years.

Cleveland, F.R.I.B.A., C. Barry, member of the firm of Darling, Pearson and Cleveland, architects of Toronto; and a former President of the Arts and Letters Club of Toronto,—at Bon Echo, Ont., on Aug. 18, aged 54 years.

Coghill, Lieut.-Col. Henry Judson, Sergeant-at-Arms of the House of Commons, 1930-34; and Assistant Adjutant and Quarter-Master-General of Military District No 1, London, Ont., 1929-30,—at Ottawa, on Jan. 9, aged 45 years.

Cooke, John Robert, Commissioner of the Hydro-Electric Power Commission of Ontario, 1923-34; Member of the Legislature of Ontario, 1911-34; and Minister without Portfolio in the Ferguson and Henry Cabinets, 1923-34,—near Stirling, Ont., on Aug. 13, aged 67 years.

Cowan, M.D., D.D.S., F.I.C.D., Major Walter Davy, elected Conservative Member of the House of Commons, 1917, for Regina, and in 1930 for Long Lake, Saskatchewan; Mayor of Regina, 1915-17,—at Regina, Sask., on Sept. 28, aged 69 years.

Cronyn, Benjamin B., Director of the Confederation Life Association; and Vice-President and Managing Director of W. R. Brock and Company of Toronto, 1917-26,—at Toronto, on Oct. 26, aged 72 years.

Crowdy, James F., Assistant Secretary to the Governor-General, 1922-34,—at Ottawa, on Apr. 29, aged 58 years.

Cullen, R.C.A. Maurice, eminent landscape artist; in 1918 was appointed a member of the Canadian War Memorial Staff and subsequently painted for the Dominion Government many scenes associated with the Great War,—at Chambly Canton, Que., on Mar. 28, aged 68 years.

Day, Frank H., Head of the Department of Chemistry and Physics at the Royal Military College,—at Kingston, Ont., on Apr. 20, aged 49 years.

Denis, M.D., Joseph Arthur, Liberal Member of the House of Commons, for St. Denis, 1921-34,—at Montreal, on Oct. 1, aged 53 years.

Denton, William Agar, President of the Wellington Fire Insurance Company; Director of the Continental Life Insurance Company; and organizer of the firm of Denton, Mitchell and Duncan, Limited, in 1904, which was acquired by W. R. Brock Company, Limited, in 1927,—at Orillia, Ont., on May 24, aged 66 years.

Desaulniers, the Hon. Gonzalve, Judge of the Superior Court of Quebec, 1923-34; President of L'Alliance Française; and a former journalist on the staffs of *L'Etandard* and of *Le Soir*,—at Montreal, on Apr. 5, aged 71 years.

Devitt, James A., a former General Superintendent of the Central Canada Exhibition Association,—at Ottawa, on May 4, aged 79 years.

Dimberton, P.S.S., the Rev. Joseph Francois, Superior of the College of Montreal, 1932-1934; previously for many years on the staffs of that College and the Montreal Sulpician Grand Seminary,—at Montreal, on Feb. 27, aged 72 years.

Dodds, C.M.G., D.S.O., Brig.-Gen. William Okell Holden, Manager of the Mutual Life Insurance Company of New York, in Montreal; left Canada with the first Canadian Division for the Great War; appointed, as Lieutenant-Colonel, to command the 5th Brigade, Canadian Field Artillery, 1915 and, with the rank of Brigadier-General, to command, in 1916, the 5th Canadian Division,—at St. Adele, Que., on Aug. 25, aged 67 years.

Donkin, Hiram, a former Deputy Minister of Public Works and Mines for the Province of Nova Scotia; and engineer on surveys and construction of some of Nova Scotia's first railways; formerly associated with the Dominion Coal Company and the Nova Scotia Steel and Coal Company,—at Halifax, on Jan. 7, aged 86 years.

Dougall, M.A., LL.D., John Redpath, Editor-in-Chief of *The Daily Witness* of Montreal; Chairman of the Board of the Congregational College of Montreal; one of the first Presidents of the first organized Y.M.C.A. on the North American Continent; and a former President of the Dominion Temperance Alliance,—at Montreal, on Sept. 18, aged 93 years.

Douglas, the Hon. James Robson, Maritime business man and financier; prominent leader in the fields of insurance and lumbering in Nova Scotia; Lieutenant-Governor of Nova Scotia, 1925, resigning eight months later, owing to pressure of business,—at Montreal, on Dec. 17, aged 58 years.

Dressler, Marie (Leila Koerberg), famous screen actress, born at Cobourg, Ont., daughter of Alexander Koeberg, veteran of the Crimean War; married George Hoppert, 1900,—at Santa Barbara, Calif., U.S.A., on July 28, aged 62 years.

Dunlop, the Hon. Edward Arunah, Provincial Treasurer of Ontario, 1930-34; Minister without Portfolio, 1929-30; Conservative Member of the Legislature for North Renfrew, 1903-08; 1911-19 and 1928-34; and President of the Pembroke Lumber Company,—at Toronto, on Jan. 1, aged 58 years.

Edmonds, William Lewis, free lance journalist; a former Financial Editor of *The Globe;* proprietor, for a time, of *The Gleaner,* Cannington, Ont.; for some years Vice-President and General Manager of the MacLean Publishing Company of Toronto; and unsuccessful Liberal candidate for East Toronto in Provincial Election of 1905,—at Toronto, on Apr. 14, aged 75 years.

Elliott, Lieut.-Col. Alexander, member of the Canadian rifle team at Bisley in 1901 and 1902 and set an Empire record at the former,—at Toronto, on Sept. 11, aged 87 years.

Ellis, James A., former Director of Unemployment Relief of Ontario, and Vice-Chairman of the Ontario Municipal Board; one-time Mayor of Ottawa,—at Ottawa, on Dec. 26.

Forbes, George D., President of the Hespeler Furniture Company and of the C. Turnbull Company, Ltd.; and President of the Waterloo Trust Company,—at Hespeler, Ont., on Sept. 27, aged 74 years.

Forke, the Hon. Robert, Member of the Senate of Canada, 1929-1934; Minister of Immigration and Colonization in the Mackenzie King Administration, 1926-1929; and formerly Chairman of the Executive Committee of the Progressive Party and Leader of the Progressive group in the House of Commons,—at Winnipeg, on Feb. 2, aged 73 years.

Foster, John T., President of the Montreal Trades and Labour Council for twenty-five years; Vice-President of the Canadian Trades and Labour Congress; member of the National Research Council; delegate to three Conferences at Geneva held under the auspices of the International Labour Bureau,—at Outremont, Que., on Apr. 2, aged 59 years.

Galbraith, Francis W., Editor of *The Advocate,* Red Deer, Alta., 1906-1934; and former Editor of *The Daily Mercury,* Guelph, Ont.,—at Red Deer, on Mar. 9, aged 71 years.

Gamble, K.C., Harry Dudley, notable barrister of Toronto; pleaded many cases before the Imperial Privy Council,—at Toronto, on June 18, aged 79 years.

Garrioch, D.D., the Rev. Alfred Campbell, missionary of the Church of England in Canada in the Arctic for seventeen years; established first Protestant mission at Peace River, 1877, and later assisted in founding a training school for Indian children at Fort Vermilion; author and historian; translated the Bible into the Beaver Indian language and compiled an English-Beaver and Cree dictionary,—at Winnipeg, on Dec. 3, aged 86 years.

Garrow, LL.B., K.C., the Hon. Charles, a Justice (High Court) of the Supreme Court of Ontario, 1929-1934; and Master of the Supreme Court, 1923-1929,—at Toronto, on May 26, aged 58 years.

Gaudet, K.C., Gilbert, Secretary of the Board of Public Utilities of Prince Edward Island, 1929-1934; Attorney-General under the Lea Administration, 1930-31,—at Charlottetown, on Feb. 21, aged 66 years.

Gibson, Frederick Merton, Assistant General Manager of the Canadian Bank of Commerce in charge of the Maritime Division,—at Toronto, on Feb. 25, aged 56 years.

Gilman, Ernest Webber, Vice-President and General Manager of the Canadian Ingersoll-Rand Company, Limited of Montreal, 1912-1934,—at Westmount, Que., on Feb. 20, aged 65 years.

Gilman, D.S.O., Lieut.-Col. Frederick, Assistant Adjutant and Quartermaster-General for Military District No. 7, 1931-1934; during the Great War was Assistant Provost Marshal for the first Canadian Division and A.P.M. for the Canadian Corps,—at Saint John, N.B., on Feb. 16.

Gilmour, Hugh B., Commissioner of the Workmen's Compensation Board of British Columbia, 1917-1934; and a former Member of the Provincial Legislature for Vancouver,—at Vancouver, on Jan. 23, aged 71 years.

Gilverson, A. E., President of Rice, Lewis and Son, Limited of Toronto, 1908-1934, with which firm he had been associated for over 50 years,—at Toronto, on May 4, aged 71 years.

Gore, M.I.C.E., William, senior member of the firm of Gore, Nasmith and Storrie, civil engineers of Toronto; was responsible for large waterworks projects throughout the world; inventor of the drifting sand system of water filtration,—at Long Branch, Ont., on June 7, aged 63 years.

Grasett, Arthur Wauton, manufacturers' agent of Toronto; formerly partner of Wild, Grasett and Darling (wholesale dry goods),—at Toronto, on Mar. 16, aged 80 years.

Greene, the Rev. Richard W. Eustace, Canon of the Church of England in Canada and former Rector of St. George's Church, Islington, Ont.; said to be the original "Dean Drone" in Stephen Leacock's *Sunshine Sketches of a Little Town,*—at Toronto, on Mar. 18, aged 86 years.

Hall, M.A., D.C.L., Grant, Vice-President of the Canadian Pacific Railway Company, 1918-1934; associated with the C.P.R. in various capacities, from 1880; and President of the Quebec Central Railway and of the Dominion Atlantic Railway,—at Montreal, on Aug. 29, aged 70 years.

Hall, J. Herbert, President of Conduits Company, Ltd. of Toronto, 1903-1934, one of the pioneers of the industry; on the directorate of several companies,—at Toronto, on Feb. 23, aged 60 years.

Hammond, Melvin Ormond, author, historian and amateur photographer; member of the staff of *The Globe,* Toronto, 1895-1934,—at Toronto, on Oct. 8, aged 58 years.

Hanson, LL.D., William, associate of Hanson Bros. Incorporated, 1892-1934, and Hansons and Macaulay, stock and investment brokers of Montreal; Director of a number of Canadian business corporations; and Vice-Chairman and Governor of the Joint Board of Theological Colleges and Treasurer of the United Theological College, Montreal,—at Montreal, on Apr. 15, aged 83 years.

Harcourt, M.D., C.M., George Vernon, Conservative Member of the Ontario Legislature for Parry Sound, 1923-1934,—at Toronto, on Feb. 1, aged 59 years.

Harmer, B.Sc., M.A., (Miss) Bertha, a former Director of the School for Graduate Nurses at McGill University; author of the internationally-used text-book *Principles and Practice of Nursing,*—at Toronto, on Dec. 14.

Harris, Walter C. R., Business Manager of *The Toronto Daily Star,*—at Toronto, on Feb. 24, aged 66 years.

Harwood, M.D., LL.D., Louis de Lotbiniere, Dean of the Faculty of Medicine, 1918-34, and Professor of Gynaecology, 1905-34, at the University of Montreal; President of the Board of Trustees of the University; General Medical Superintendent of the Notre Dame Hospital, Montreal; Officer of the Legion of France; and Vice-President of the Holstein Breeders of Quebec,—at Montreal, on May 15, aged 68 years.

Hays, Lieut.-Col. R. Stanley, barrister of Seaforth, Ont., for 40 years before his retirement to Toronto; and during the Great War was Senior Major of the 161st Battalion,—at Toronto, on Dec. 25, aged 70 years.

Henderson, Percy E., member of the firm of Elmes Henderson and Son, Toronto, real estate and insurance, 1905-34; member of the governing body of Trinity College School, Port Hope; prominent in the sports world of cricket, football and skating,—at Toronto, on Jan. 16, aged 55 years.

Heyd, K.C., Louis Franklyn, head of the law firm of Heyd, Heyd and Shorey; practised in Toronto, 1896-34, and previously in Brantford; Crown prosecutor at various assizes,—at Toronto, on Apr. 17, aged 78 years.

Hill, R.C.A., George William, sculptor; among his more favourably known executions are the Nurses' National Memorial in Ottawa, the Strathcona Horse monument, the Sir Georges Etienne Cartier monument in Montreal, and the War memorial in Westmount, Que.; he also executed monuments to the Hon. George Brown, the Hon. Thomas D'Arcy McGee, and many others, —at Montreal, on July 17, aged 72 years.

Holmes, Robert, Surveyor of Customs at Toronto, 1909-27; Liberal Member of the House of Commons for West Huron, 1899-1907; in 1885 became proprietor of *The New Era,* Clinton, which had been originally founded by his father; appointed President of the Canadian Press Association in 1897; a former Mayor of Clinton, Ont., for five terms,—at Toronto, on Mar. 21, aged 81 years.

Hosie, John, Provincial Librarian and Archivist of British Columbia, 1926-34, and on the staff of the Library from 1912; author; a past President of the British Columbia Historical Association and of the British Columbia Library Association,—at Victoria, on Aug. 8.

Howard, Allan Maclean, Clerk of the First Division Court, Toronto, for 55 years; son of the first President of the United Empire Loyalists Association; and said to be the first importer of Jersey cattle in Canada,—at Oakville, Ont., on Oct. 16, aged 82 years.

Howard, B.A., B.C.L., K.C., the Hon. Erastus Edwin, Judge of the Court of King's Bench of the Province of Quebec, 1920-34; and, for many years, Professor of Civil Law at McGill University,—at Montreal, on May 19, aged 65 years.

Howitt, M.D., M.R.C.S., F.A.C.S., practising surgeon in Guelph, Ont., 1875-1918; former senior surgeon of the Guelph General and St. Joseph's Hospitals; honorary member of the Western Medical Association for meritorious work; one of the first pupils of the famous British surgeon, Lawson Tait,—at Guelph, on July 22, aged 85 years.

Hurlbatt, M.A., LL.D., (Miss) Ethel, Warden of the Royal Victoria College, McGill University, 1907-29; formerly Principal of Aberdare Hall, University of South Wales, and Monmouthshire, 1892-98, and of Bedford College for Women, University of London, 1898-1906,—at Tours, France, on Mar. 22, aged 67 years.

Hutchison, F.R.C.P., M.B., Henry Seaton, Assistant Professor of Medicine and Special Lecturer in Life Insurance at the University of Toronto; physician in charge of the Out-Patient Department of the Toronto General Hospital; Chief Medical Officer of the Crown Life Insurance Company,—at Toronto, on Jan. 6, aged 54 years.

Huycke, B.A., LL.B., K.C., Edward Cornelius Stanbury, County Court Judge, Peterborough, Ont., 1909-34; Chairman of the Board of County Judges of Ontario; and Mayor of Cobourg, Ont., 1899-1902,—at Peterborough, on May 10, aged 74 years.

Inkster, the Hon. Colin, former Sheriff, Eastern Judicial District of Manitoba, 1876-1928; Member of the first Legislature of Manitoba, 1871, and Speaker of the Legislative Council, 1876 (sole survivor); only surviving councillor of the original St. John's College, Winnipeg,—near Winnipeg, on Sept. 29, aged 91 years.

Jackson, Lyman George, Editor of *The Newmarket Era* for 57 years; one of the first to introduce the monoline and linotype into his weekly newspaper business and claimed to be the first to operate by electricity,—at Newmarket, Ont., on Aug. 8, aged 75 years.

Jacob, Frederick Drummond, handwriting authority; former official of the Editorial Department of the Department of the Interior, much of which work had to do with the reviewing of the handwriting of applications for Government positions; many times called as witness for the Crown in court cases; former special correspondent for the Canadian Associated Press in England for 15 years,—at Ottawa, on May 24, aged 69 years.

Jaffray, James P., Editor and proprietor, 1896-1934, of *The Reporter,* Galt, Ont., established by his grandfather in 1844; and previously co-founder with his brother, R. M. Jaffray, of several newspapers in Ontario towns in addition to *The Canadian-American,* a Canadian weekly for Canadian residents of the United States, published in Minneapolis and later at Chicago,—at Galt, on July 16, aged 79 years.

Johnson, Frederick Alexander, President and Managing Director of the J. C. McLaren Belting Company, Limited, Montreal, for many years; and participator in the Klondyke gold rush of 1898,—at Montreal, on Jan. 6, aged 67 years.

Jones, Colonel Arthur William, partner in the firm of Mara, Jones and Co., Ltd., Victoria, real estate agents; formerly paymaster for Military District No. 11 and Ordinance Officer of the Army Service Corps, in Esquimalt, when Canada took it over from the Imperial authorities in 1906,—at Victoria, B.C., on May 15, aged 83 years.

Jones, Beverley, Toronto barrister, 1864-1934; founder and Chairman of the Industrial School Board; also founder of the Victoria Boys and Alexandra Girls Schools; oldest survivor of the Fenian Raid of 1866 during which he served with the Queen's Own Rifles,—at Toronto, on Feb. 17, aged 94 years.

Jones, A. R. Randall, free lance journalist; and formerly associated with *The Toronto Star Weekly* for 14 years, and with the Dartmouth City Press at St. Anne de Bellevue, Que.—at Toronto, on Jan. 15.

Keenan, James Edward, President and General Manager of Keenan Brothers, Limited, Owen Sound, Ont.,—at Owen Sound, on Dec. 26, aged 71 years.

Kennedy, John Douglas, practised law in New Westminster, B.C., for 34 years; a former partner of the late Sir Richard McBride; participator in the Klondyke gold rush of 1898,—at New Westminster, on Oct. 15, aged 72 years.

Kerr, Albert, President of the Albert Kerr Hide Company Limited; pioneer in the raw hides and wool trade, being the first man to ship hides in car lots from Western Canada to Eastern points; established branches of his Company in all the principal cities in the Dominion,—at Toronto, on Dec. 4, aged 75 years.

Kingsmill, George Roden, free lance journalist; formerly Ottawa correspondent for *The Globe,* Toronto; member of the staff of *The Evening Telegram,* Toronto, 1886,—at Toronto, on Oct. 21, aged 65 years.

Kirkconnell, B.A., LL.D., Thomas Allison, Principal of Lindsay Collegiate Institute, 1908-32; Member of the Advisory Council on Education in Ontario, 1906-08; and a member of the Departmental Committee on Examinations, 1929-30,—at Milton, Ont., on Apr. 6, aged 72 years.

Lallemand, Frederick Alfred, President of the Lallemand Refining Company of Canada, Limited, Montreal, for nearly 40 years; widely-known art collector,—at Montreal, on May 29, aged 75 years.

Laporte, K.B., P.C., LL.D., the Hon. Sir Hormisdas, founder and President of Laporte, Martin, Limited, wholesale grocers, Montreal; Honorary President of La Banque Provinciale du Canada and Director of many other companies; Life Governor of the Montreal General and Notre Dame Hospitals; and during the Great War, Chairman of the Canadian War Purchasing Commission,—at Montreal, on Feb. 20, aged 83 years.

Lascelles, Frank, sculptor and painter; among his principal works of sculpture are figures of Earl Grey in the Parliament Buildings at Ottawa, and of the Duke of Connaught; appointed Master of Pageantry for the City of Quebec Tercentenary in 1908,—at Brighton, Eng., on May 23.

Leclerc, Rene T., President and founder of the firm of Rene T. Leclerc, Inc., Montreal, investment bankers, 1901-1934; formerly senior partner of Leclerc, Forget and Company; member of the Dominion Committee in charge of Victory loans, 1917-18,—at Montreal, on Feb. 20, aged 53 years.

Legge, Wilmot Howard, Vice-President and General Manager of the Warren Bituminous Paving Company, Limited, Toronto, 1919-34, with which firm he had been associated since 1904,—at Toronto, on Dec. 16, aged 49 years.

Lennox, K.C., Lieut.-Col. Thomas Herbert, practising barrister of Toronto; Member of the House of Commons for North York, 1925-34; a former Member of the Ontario Legislature for that constituency for many years; Lieutenant-Colonel commanding the 208th Battalion of the C.E.F.,—at Toronto, on May 3, aged 65 years.

Lindsay, Ross Harcourt, President of Honey Dew, Limited, Toronto; Vice-President of Orange Crush Company Limited, Toronto, of which he was one of the organizers; prominent in sporting circles,—at Toronto, on Dec. 7, aged 50 years.

Little, M.D., C.M., F.A.C.S., Herbert Melville, Head of the Department of Gynæcology at McGill University; formerly on the staff of the Montreal General Hospital,—at London, Ont., Oct. 11, aged 57 years.

Macallum, M.D., Ph.D., D.Sc., LL.D., F.R.S.C., F.R.S., Archibald Byron, Professor of Biochemistry at the University of Toronto, 1908-18; Professor of the same science at McGill University, 1920-29; President of the Royal Society of Canada, 1916-17; and first visiting lecturer of the Rockefeller Foundation to the Union Medical College at Peiping, China,—at London, Ont., on Apr. 5, aged 75 years.

MacBeth, D.D., the Rt. Rev. Roderick George, author; formerly Moderator of the Presbyterian Synod of British Columbia; and President, for some years, of the Lord's Day Alliance of British Columbia,—at Vancouver, B.C., on Feb. 28, aged 73 years.

Maclennan, M.D., M.R.C.S., L.R.C.P., Duncan Neil, formerly Chief Medical Officer at the Ear and Throat Hospital, Golden Square, London; practised in Toronto since 1930,—at Toronto, on Oct. 18.

Macnamara, Herbert Hampton, Sales Manager and Member of the Board of Directors, since 1931, of Rapid Grip and Batten Limited, Toronto, photo-engravers; formerly owner and Manager of the firm of Grip Limited,—at Toronto, on July 25, aged 60 years.

Magee, Knox, formerly Managing Editor of *Saturday Night,* Toronto; one-time Editor of *The Winnipeg Telegram;* and founder and former Editor of *The Saturday Post* of Winnipeg,—at Winnipeg, Man., on May 9, aged 57 years.

Mann, K.B., Sir Donald D., associated with Sir William Mackenzie (Mackenzie, Mann and Company, Limited) in the construction of the Canadian Northern Railway, later merged with the Grand Trunk Railway to form the Canadian National System; formerly Vice-President of the Canadian Northern Railway; Director of the Winnipeg Electric Railway and of several other firms; and knighted in 1911,—at Toronto, on Nov. 10, aged 81 years.

Mara, W. Harold, partner in the brokerage firm of Mara and McCarthy of Toronto; formerly President of William Mara Company, wholesale and retail wine merchants; and President of the Toronto Stock Exchange, 1930, —at Toronto, on Dec. 16, aged 52 years.

Martin, R.C.A., O.S.A., Thomas Mower, eminent artist; founder of the old Art Union of Ontario,—at Toronto, on Mar. 15, aged 95 years.

McCrimmon, K.C., Angus, Crown Attorney for Elgin County 1903-33; a former Headmaster at the Grammar School of St. Thomas, Ont.,—at St. Thomas, on Jan. 31, aged 86 years.

McCulloch, James Lucas, President of the J. L. McCulloch and Company, Limited, general insurance agents of Montreal; and a former President of the Mount Royal Tennis Club,—at Montreal (Westmount), on July 17, aged 71 years.

McIntosh, George E., Fruit Commissioner of the Dominion Department of Agriculture; a former proprietor and Editor of *The Weekly Standard,* Forest, Ont.,—at Ottawa, on Aug. 30, aged 59 years.

McLean, A. J., a former Minister of Public Works and also Provincial Secretary for the Province of Alberta,—at Lethbridge, Alta., on Oct. 13, aged 73 years.

McLean, William Archibald, President of the Wood Mosaic Company Inc., with head office at Louisville, Ky., and formerly associated with his brother, Angus, in the Bathurst Power and Paper Company, Limited (New Brunswick),—in Florida, U.S.A., on Jan. 21.

McMurray, Louis Saurin, formerly associated with the Merchants Bank of Canada and also with the Bank of Toronto; and a former Treasurer of the Royal Canadian Yacht Club,—at Toronto, on Dec. 30, aged 65 years.

McMurtry (Mrs. William James), Lilian, poetess and dramatist of international renown; and member of a United Empire Loyalist family (Waters), —at Toronto, on Nov. 17.

McNaught, Charles Boyd, member of the firm of Reed, Shaw and McNaught, insurance brokers of Toronto; and Chairman of the Board of the Dominion Steel and Coal Corporation, Limited,—at Aurora, Ont., on Sept. 16, aged 57 years.

McNeil, D.D., His Excellency, the Most Rev. Neil, Archbishop of Toronto for twenty-two years,—at Toronto, on May 25, aged 82 years.

McPhedran, M.D., Alexander, member of the Senate of the University of Toronto; on the staff of the Toronto General Hospital; one-time Dean of the Medical College for Women; a former President of the Canadian Medical Association; and author of several medical works,—at Toronto, on Dec. 19, aged 87 years.

Meredith, the Hon. Richard Martin, a former Chief Justice of the Common Pleas and President of the High Court Division of the Supreme Court of Ontario,—at London, Ont., on May 20, aged 87 years.

Michell, M.C., Lieut.-Col. William, Supervising Principal of Toronto High Schools, 1925-31; on the Senate of the University of Toronto; President of the Alumni Association of that institution; second in command of the 95th Battalion in 1914, reverting to the rank of Captain in order to facilitate transfer to France where he was attached to the 18th Battalion; and formerly President of the Anglers' Association,—at Toronto, on Mar. 9.

Milner, M.D., Beverley Z., formerly associate head surgeon of the Hospital for Sick Children of Toronto and at one time Surgeon-in-chief of the out-patients Department of the Toronto General Hospital,—at Toronto, on Dec. 6, aged 69 years.

Mitchell, George J., Vice-President and General Manager of Canada Dry Ginger Ale, Limited,—at Montreal, on Oct. 26, aged 58 years.

Moffatt, Frank P., Assistant Director of the Bureau of Economics, Canadian National Railways,—at Montreal, on Mar. 19, aged 51 years.

Monteith, M.D., C.M., the Hon. Joseph D., Minister of Public Works and Labour for the Province of Ontario, 1930-34; Provincial Treasurer, 1926-30; and Conservative Member of the Legislature for North Perth, 1923-34,—at Stratford, Ont., on Jan. 8, aged 68 years.

Morel, Henry, President of the Murray Silver Mining Company; and a former Conservative Member of the Ontario Legislature for Nipissing,—at Mattawa, Ont., on June 24, aged 66 years.

Morgan, C.B., C.M.G., M.B., Colonel Claude Kyd, Honorary Lieutenant-Colonel of the City of London Regiment; member of the British Mission to Washington, 1918-21; entered the R.A.M.C. in 1894, serving for six years in India and six in Egypt; served also in the Great War, and mentioned in dispatches three times,—at London, Ont., on Aug. 9, aged 62 years.

Munro, K.C., D. Paul, Liberal Member-elect for South Wellington of the Ontario Legislature; and City Solicitor of Guelph,—near Waterdown, Ont., on July 1.

Murray, Ph.D., D. Alexander, formerly Chairman and Professor of the Department of Mathematics at McGill University; formerly on the staff of the Johns Hopkins University, Baltimore, New York University and Dalhousie University, Halifax; and author of a number of works on mathematics,—at Montreal, on Oct. 19, aged 72 years.

Oakley, George, President of George Oakley and Son, Limited, of Toronto; President of the Toronto Baseball Club; and Conservative Member for Riverdale of the Ontario Legislature, 1923-34,—at Hamilton, Ont., on Dec. 3, aged 58 years.

O'Keeffe, D.D., the Rt. Rev. Mgr. M. A., Rector of St. Michael's Cathedral of Chatham, Ont., for thirty years,—at Chatham, on June 15, aged 68 years.

Palmer, C.M.G., Colonel Allyn Zouch, Deputy Adjutant General at Canadian Militia Headquarters during the Great War; and served for a time with the Imperial Forces in India,—at Ottawa, on Mar. 22, aged 52 years.

Palmer, the Rev. R. Cecil, Principal of Elm House School, Toronto; and formerly on the staff of St. Andrew's College, Toronto, and Lake Lodge School, Grimsby,—at Balsam Lake, Ont., on Aug. 5, aged 62 years.

Peterson, E. Carl, Managing Director and President of the St. Lawrence Trading Company Limited; and President of the Outremont Land Company, —at Montreal, on Jan. 7, aged 55 years.

Paterson, the Rev. T. W., Honorary Canon of St. Alban's Cathedral (Church of England); and a former rector of Christ Church, Deer Park, Toronto,— at Toronto, on Jan. 16, aged 86 years.

Pearce, William King, formerly Assistant General Manager of the Dominion Bank of Canada; and a Past Master of Ionic Lodge, A.F. and A.M., and Past Principal of a Royal Arch Masons Chapter,—at Toronto, on Nov. 6, aged 71 years.

Perrin, the Rt. Rev. William Wilcockson, Suffragan Bishop of Willesden, England; and formerly, for eighteen years, Bishop of the Diocese of Columbia (British Columbia),—at London, England, on June 27, aged 86 years.

Perry, D.S.O., Colonel Norman Dundas, President of the Association Securities Corporation, Limited; and served with the 91st Battalion, C.E.F., in the Great War,—at Toronto, on Dec. 6, aged 56 years.

Phillips, Major Arthur Tristram, Superintending Engineer of the Rideau Canal; and formerly a member of the Department of Railways and Canals for forty years,—at Ottawa, May 11, aged 69 years.

Phillips, Thomas, organist and choirmaster at St. Andrew's United Church and leader of the Peterborough Male Voice Choir,—at Peterborough, Ont., on Jan. 15, aged 62 years.

Porter, LL.D., Thomas Marshall, on the staff of the University of Toronto Schools for twenty-two years,—at Simcoe, Ont., on Apr. 16, aged 52 years.

Pridham, Reginald, Treasurer of the Western Canada Flour Mills Company, Limited,—at Toronto, on Oct. 22, aged 42 years.

Rankin, M.B., L.R.C.P. and S., the Hon. James Palmer, Liberal Member of the Senate of Canada, 1925-34; Member of the House of Commons, 1908-11 and 1921-25; and Lieutenant-Colonel of the Canadian Army Medical Corps, —at Stratford, Ont., on June 15, aged 79 years.

Rea, David Clawson, a former Supervisor for Ontario of the Royal Bank of Canada with which he had been actively connected for over forty years,— at Toronto, on June 26, aged 57 years.

Renner, M.D., William Scott, internationally-known ear, nose and throat specialist; Vice-President of the American Laryngologists' Association, 1912; and at one time Professor of Oto-laryngology at Niagara University and at the University of Buffalo Medical School,—at Buffalo, U.S.A., on Oct. 10, aged 73 years.

Richard, Thomas L., Commissioner of Patents for Canada, 1928-34,—at Ottawa, on Dec. 14, aged 65 years.

Richer, Euclide Henri, Knight of Pie IX, Pontifical Zouave; and a former Mayor of Ste. Hyacinthe, Que.,—at Ste. Hyacinthe, on Jan. 15, aged 85 years.

Rivet, Alfred Napoleon, member of the Board of Medical Examiners of Canada; Professor of Anatomy at Laval University, 1890, and later, Professor of Chemistry,—at Montreal, on Apr. 22, aged 68 years.

Robb, George Watson, a former President of the Federal Distillery, Limited, and of Watson Robb, Limited,—at Montreal, on Jan. 12, aged 70 years.

Robinson, Ph.D., Rev. T. Rutherford, Associate Professor of Philosophy at the University of Toronto,—at Toronto, on Jan. 8, aged 66 years.

Robinson, M.D., Robert Hunter, practising physician in Toronto for sixty-two years; formerly a house surgeon of the Toronto General Hospital,—at Toronto, on June 15, aged 87 years.

Rorke, Lieut.-Col. J. H., President of Rorke and Company, investment firm of Montreal; and served in the South African and Great Wars,—at Montreal, on Mar. 24, aged 57 years.

Ross, Victor Harold, senior Vice-President of the Imperial Oil Company; Vice-President of the International Petroleum Company; and formerly Financial Editor of *The Globe* prior to which he was on the staffs of *The Toronto Star* and *The Mail and Empire,* Toronto, for some years,—at Toronto, on Feb. 23, aged 57 years.

Royce, James C., consulting engineer and formerly sole representative of the Rolls-Royce Company in America with offices in New York,—in Florida, U.S.A., on Mar. 20.

Russell, John, a former General Manager of the Canadian Drug Company; and, for some years, Manager of *The Daily Telegraph* of Saint John, N.B., —at Saint John, on June 12.

Russell, John E., President of the Russell Construction Company Limited of Toronto, the Toronto Dry Dock Limited, the Canadian Dredging Company and other companies,—at Toronto, on Sept. 15, aged 62 years.

Ryckman, M.A., LL.B., K.C., the Hon. Edmond Baird, Toronto barrister; Minister of National Revenue in the Bennett Cabinet, 1930-33; Minister of Public Works in the Meighen Cabinet, 1926; Member of the House of Commons for Toronto East, 1921-34,—at Toronto, on Jan. 11, aged 68 years.

Saint-Cyr, LL.D., Joseph Fortunat, member of the legal firm of Gosselin and Saint-Cyr, 1900-03; author of several legal works; Governor of the Notre Dame Hospital of Montreal; Chairman of the Montreal Tramways Commission; and formerly Police Magistrate for the District of Montreal,— at Montreal on Jan. 29, aged 58 years.

Sandy, Frederick George, a former Liberal-Progressive Member of the Ontario Legislature for Victoria South,—at Lindsay, Ont., on Jan. 2, aged 59 years.

Savage, Mark Joseph, Vice-President of the Atlantic Sugar Refineries Limited of Montreal,—at Montreal, on Jan. 12, aged 48 years.

Scollard, D.D., the Rt. Rev. David Joseph, Bishop of the Catholic Diocese of Sault Ste. Marie, 1904-34,—at North Bay, on Sept. 7, aged 72 years.

Shaw, Hugh Murray, a former Unionist Member of the House of Commons for Macleod (Alta.); and founder of the town of Nanton,—at Calgary, on Apr. 3, aged 57 years.

Shillington, Robert Taylor, Director of the Vipond and Keeley Mines; Member of the Executive and Manager of the Ottawa Silver Screen Hockey team (winner of the Stanley cup three years in succession); Director and Past President of the Ottawa Football Club; Director of the Capital Lacrosse Club; and the first representative for Temiskaming in the Ontario Legislature, 1908-14,—at Toronto, on Jan. 11, aged 68 years.

Shuttleworth, Edward Buckingham, first Dean of the Ontario College of Pharmacy; founder of *The Canadian Pharmaceutical Journal;* a former Professor of Pharmacy at Trinity Medical College; and a Bacteriologist for the City of Toronto,—at Toronto, on June 24, aged 92 years.

Sifton Henry Arthur, President and Managing Director of the Sifton chain of Western newspapers and of the Armadale Corporation; and prominent Independent-Liberal—a defeated candidate for the House of Commons, 1926,—at Toronto, on June 24, aged 42 years.

Silver, Herbert J., retired Secretary-Superintendent of the Protestant Board of School Commissioners of Montreal, 1908-29; and author of *Primary Exercises in Arithmetic,*—at Montreal, on Dec. 10, aged 73 years.

Smith, Peter, Provincial Treasurer in the Drury Cabinet of Ontario, 1919-23; and U.F.O. Member of the Legislature for South Perth,—at Stratford, on May 21, aged 56 years.

Spankie, M.D., William, Conservative Member of the House of Commons for Frontenac-Addington, 1929-34,—at Kingston, Ont., on May 27, aged 74 years.

Sproatt, LL.D., F.R.I.B.A., R.C.A., Henry, world-famous Canadian architect and holder of several distinctions for his contributions to architecture; Past President and senior member of the firm, Sproatt and Rolph, Toronto, who designed Hart House of the University of Toronto, Victoria College, Burwash Hall and Trinity College of Toronto, and the National Research Laboratories of Ottawa and other outstanding structures throughout Canada; and Past President of the Royal Canadian Academy,—at Toronto, on Oct. 4, aged 68 years.

Stanfield, Lieut.-Col., the Hon. John, Member of the Senate of Canada, 1921-34; Conservative Member of the House of Commons for Colchester (N.S.), 1907-20; and Director and former President of Stanfields Limited, Canadian woollen manufacturers,—at Truro, on Jan. 22, aged 66 years.

Starnes, Maj.-Gen. Cortlandt, a former Chief Commissioner of the Royal Canadian Mounted Police, having served for forty-five years with the R.C.M.P. and the Royal North-West Mounted Police; and served in the Riel Rebellion as Adjutant of the 65th Regiment,—at St. Hilaire, Que., on May 28, aged 70 years.

Stringer, D.D., the Most Rev. Isaac O., Archbishop of the Church of England of Prince Rupert's Land, 1931-34; served for thirty-six years as head of the Diocese of the Yukon,—at Winnipeg, Man., on Oct. 30, aged 68 years.

Switzer, V.D., Colonel Ernest George, former Officer in command of the Irish Regiment of Toronto; served in the Great War with the 204th (Beaver) Battalion,—at Toronto, on Oct. 13, aged 63 years.

Talbot, Lieut.-Col. Onesiphore Ernest, Quebec Provincial Tax Collector of commercial corporations; Liberal Member of the House of Commons for Bellechasse County 1896-1911; and a Director of the Canadian National Railways, 1921-30,—at Quebec, on May 6, aged 80 years.

Taylor, K.C., Edward L., Counsel to the Board of Grain Commissioners of Canada; Conservative Member of the Manitoba Legislature during the Roblin *régime*, 1900-15; and a former member of the Council of the University of Manitoba,—at Winnipeg, on Sept. 9, aged 74 years.

Tessier, the Hon. Jules, lawyer and writer; Member of the Senate of Canada, 1903-34; Speaker of the Legislative Assembly of Quebec, 1897-1900; and Liberal Member of the Lower House from 1886 to 1903,—at Montreal, on Jan. 6, aged 81 years.

Tessier, M.D., Lieut.-Col. Romauld, Montreal specialist in dermatology and urology; served in the Great War with the Laval Hospital Corps; created a Knight of Leopold II by King Albert I of Belgium,—at Laval-sur-le-Lac, Que., on May 10, aged 50 years.

Thompson, (Miss) Dora Olive, author of books for children,—at Toronto, on Sept. 29.

Thompson, Nichol, Manager of the English Steel Corporation, Limited, and President of N. Thompson and Company, both of Vancouver; President of the Vancouver Board of Trade, 1915; and a former President of the British Columbia Chamber of Mines,—at Vancouver, B.C., on Mar. 10, aged 80 years.

Tolmie, R. F., a former Deputy Minister of Mines of Britisn Columbia, and a brother of the Hon. S. F. Tolmie, former Provincial Prime Minister (1928-33),—at Victoria, B.C., on Mar. 26, aged 76 years.

Trow, Albert Edward, Assistant Registrar of the Supreme Court of Ontario, —at Toronto, on Nov. 29, aged 72 years.

Tyndall, George Herbert, Business Manager of *MacLean's Magazine* and *Chatelaine*,—at Toronto, on Oct. 29, aged 50 years.

Vernon, the Rev. Charles William, General Secretary of the Social Service Council of the Church of England in Canada; President of the Social Service Council of Canada; and honorary Canon of All Saints Cathedral, Halifax,—at Toronto, on Jan. 30, aged 63 years.

Walker, M.A., Ph.D., Francis Cox, Professor of English at the University of British Columbia; formerly Professor of English at Washington University, St. Louis, Mo.; author of a number of volumes dealing with English poetry; recipient of an annual pension of £9 from the British Crown dating back to 1651 in which year the English family of Penderells saved Prince Charles, afterwards Charles II, from Cromwell's soldiers—the family, five brothers and one sister at the time, received, in perpetuity, a pension of, approximately, $2,250 a year. (Dr. Walker was a descendant of the sister),—at Florence, Italy, on June 24, aged 61 years.

Ward, K.C., H. A., Judge of the County of Durham, 1914-24; Lieutenant-Colonel, in command of the Durham Regiment, 1903-09; Mayor of Port Hope, 1885, 1893 and 1894; and Member of the House of Commons, 1885-91 and 1900-08,—at Port Hope, on May 11, aged 85 years.

White (Mrs. Edward), Annie Gertrude Hewitt (*pseud.* Caltha), contributor to *The Mail and Empire* in the form of nature sketches,—at Toronto, on July 16, aged 82 years.

White, M.A., D.C.L. (Sorb.), K.C., William John, Vice-President of The Gazette Printing Company Limited of Montreal; a former Bâtonier of the Bar of Montreal; former senior partner of the law firm of White and Buchanan; counsel in connection with many cases of national and international litigation; writer of notable articles on law, history and folklore,—at Montreal, on Jan. 22, aged 72 years.

Wigle, the Rev. Hamilton, a former Principal of Mount Allison Ladies' College, Sackville, N.B., and a former Pastor of Trinity Church, Amherst,—at Sault Ste. Marie, Ont., on Jan. 7, aged 71 years.

Willis, Alexander Parker, President of Willis and Company, Limited, of Montreal, piano manufacturers; a Governor of the Verdun and of the Children's Memorial Hospitals; and Vice-President of the Montreal Diocesan Theological College,—at Montreal, on July 14, aged 89 years.

Wills, Hamilton B., a former President of the Huronian Belt Company; a retired stockbroker of Toronto; a promoter of all forms of sports, and a Director of the Maple Leaf Stadium,—at Willowdale, Ont., on Nov. 10, aged 65 years.

Wills, John F., Junior Judge of Hastings County; and a former Mayor of Belleville,—at Belleville, Ont., on Jan. 29.

Wilson, Donald H., Editor and publisher of *The Evening Guide,* Port Hope,—at Port Hope, Ont., on Oct. 28, aged 34 years.

Wilson, George H., Secretary of the Ottawa Municipal Works Department; and a former Managing Editor of *The Ottawa Journal,*—at Ottawa, on Jan. 3, aged 68 years.

Wilson, the Hon. Lawrence Alexander, Member of the Senate of Canada; a former President of the Licensed Victuallers Association of Quebec; Knight Commander of the Order of St. Gregory the Great, 1928; and Life Governor of the Montreal General and other Hospitals,—at Montreal, on Mar. 3, aged 70 years.

Wilson, W. J. Blake, President of Burns and Company Limited; and Director of the Canadian Pacific Railway,—at Vancouver, B.C., on June 22.

Wishart, M.D., C.M., L.R.C.P. (Lond.), F.A.C.S., David James Gibb, chief of the Oto-laryngology Department of the Sick Children's Hospital, 1900-07, of the Toronto General Hospital, 1914-22, and formerly Professor of Oto-laryngology at the University of Toronto,—at Toronto, on Dec. 5, aged 75 years.

Worrell, M.A., D.C.L., D.D., the Most Rev. Clarendon Lamb, Primate of the Church of England in Canada, 1931-34; Archbishop of Nova Scotia and Metropolitan of Canada, 1915; Professor of English at the Royal Military College, Kingston, 1891-1904; and Rector of St. James Church, Morrisburg, Ont., 1884-91,—at Halifax, N.S., on Aug. 10, aged 81 years.

Wright, the Hon. William H., Justice of the High Court of the Supreme Court of Ontario; President, for some years, of the Grey County Law Association; and member of the Royal Commission appointed in 1926 by the Dominion Government to inquire into the enforcement of Customs regulations throughout Canada,—at Toronto, on Jan. 31, aged 72 years.

TRANSPORTATION
FINANCIAL AND INDUSTRIAL
SUPPLEMENT

Annual Addresses and Reports

CANADIAN PACIFIC RAILWAY COMPANY

PRESIDENTIAL ADDRESS OF E. W. BEATTY, K.C., LL.D.

AT THE 53rd ANNUAL MEETING*

AND

REPORT FOR THE YEAR ENDED DEC. 31, 1933

Mr. Beatty's 16th Annual Address

The Annual Report outlines in detail the principal factors which influenced the operations of the Company during the past year, but some further reference to the accounts which are before you may be of interest.

In 1928 the gross earnings of your Company and of subsidiary steam railways which are now being included in railway accounts amounted to $241,978,461, a new peak; in 1929 they declined $18,700,000 from 1928; in 1930 they declined $33,200,000 from 1929; in 1931 they declined $42,200,000 from 1930; in 1932 they declined $23,900,000 from 1931; and in the year just ended (at $114,269,688) they were $9,700,000 lower than in 1932, a total recession from 1928 of $127,708,773 or 53 per cent. It is hoped that gross earnings of 1933 will prove to be the low point from which there will be a progressive increase to normal levels, so that the Company will again enjoy remunerative operations.

The Company's plant and organization had been expanded to handle the peak traffic of 1928, and the successful record of progressive readjustment of the Company's operations to meet such an unprecedented decline in gross earnings of a property not usually subject to such variations reflects credit upon the manner in which the Company's officers and employees have conducted operations under very difficult circumstances. In 1928 the working expenses of the Company amounted to $189,028,332; in 1929 they were $10,600,000 below 1928; in 1930 they were $27,300,000 below 1929; in 1931 they were $28,700,000 below 1930; in 1932 they were $18,600,000 below 1931; and in the year just ended (at $93,407,582) they were $10,400,000 below 1932, a total reduction of $95,620,750, or 51 per cent. below 1928.

There were 9.38 per cent. fewer rail passengers carried in 1933 than in 1932, but, as the average journey was longer, the passengers carried one mile decreased 4.81 per cent. only. Undoubtedly the volume of travel would have been still less had it not been for a continuation of the policy of operating special coach excursions and the stimulation given to travel by low week-end and holiday fares.

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*NOTE.—Annual Meeting, May 2, 1934. For a history of the C.P.R. see *The Canadian Annual Review, 1911;* for Lord Shaughnessy's last Presidential Address, see *The Review, 1918;* for Mr. Beatty's first fifteen Presidential Addresses, see *The Review* from *1919* to *1933.*

As a result of the extended application of excursion and special rates, the average amount received per passenger mile decreased a little more than 10 per cent. The reduction in volume of traffic and in average amount received per passenger mile was partially offset by a reduction in passenger train miles operated, so that the total passenger train earnings per train mile only decreased from $1.43 to $1.39.

The number of tons of revenue freight carried in 1933 decreased 2.62 per cent. from 1932, and the average haul of a ton of freight was shorter, so that the rail revenue freight tons carried one mile decreased slightly over seven per cent. Reductions were made in rates to meet water and truck competition, but, owing to the falling off in the volume of grain and grain products, which moves at very low rates the average amount received per ton mile increased from .905c to .910c. Notwithstanding the reduction in volume of traffic, heavier loading of trains was secured, and total freight train earnings per train mile increased from $4.80 to $5.00.

Maintenance expenses during the year were in keeping with the reduced volume of traffic. During the last few years the Company has benefited materially in lowered maintenance of way costs due to the improvements made during more prosperous years in the form of heavier rail, creosoted ties, rock ballast, permanent structures and other betterments. Lowered costs have also developed as a result of the pressure for economies in the form of new practices; for instance, extensive use is being made to-day of electric welding machines for building up battered ends of rails, frogs and diamonds by means of which, for a relatively small expenditure, the life of the rail itself is prolonged, and, in addition, the labour cost of replacement is saved.

Total transportation expenses decreased 13.8 per cent. This improvement was made possible by the reduced scale of wages, lower material costs, and a better operating performance; fuel consumption improved from 114 lbs. per thousand gross ton miles in 1932 to 112 lbs. in 1933; average number of tons of revenue freight per freight train mile increased from 530 tons in 1932 to 549 tons in 1933. These are some of the contributing factors in the reduction of expenditures.

Further substantial savings were made in Traffic, Miscellaneous Operations and General Expenses.

Turning to the balance sheet, it will be found that the changes during the year are mainly self-explanatory and call for little comment.

Capital expenditures were again restricted, totalling less than the amount of the credits to property account arising from the retirement of units of equipment and other property. As a result, the Company's investment in railway, rolling stock equipment, lake and river steamers and hotels at the end of the year was $862,102 less than at the beginning of the year.

Investment in Ocean and Coastal Steamships increased $28,640 due to minor improvements to various units of your fleet. During the year the "Bolingbroke" and the "Bothwell" were sold. The net proceeds from these sales were credited to Steamship Replacement, the original cost of these vessels having previously been written off against that account.

Acquired Securities increased $2,878,597, principally due to the acquisition of $2,500,000 of First Mortgage Bonds of the Northern Alberta Railways during the year. From the proceeds of the sale of these bonds and the sale of an equal amount of bonds to the Canadian National Railways, the Northern Alberta Railways discharged on June 1st, the instalment of $5,000,000 on the purchase price of its properties, payable to the Province of Alberta. The next instalment is due June 1st, 1939.

The increase in Advances to Controlled Properties is mainly due to the net advance of $4,577,285 to the Minneapolis, St. Paul and Sault Ste. Marie Railway referred to in the Annual Report.

The principal change in the capital obligations of the Company was the addition of $60,000,000 Five Year Notes sold to a syndicate of Canadian Banks. From the proceeds of these Notes, the short term notes and other obligations maturing during the year were discharged, and on April 15th of this year $12,000,000 Ten Year Collateral Trust Gold Bonds were retired. Funds are in hand to meet the other obligations maturing in 1934. After 1934, apart from annual instalments on equipment obligations, totalling $3,950,000 per annum, no funded obligations mature until 1937.

Notwithstanding the fact that very little capital expenditure has been made in the last two years, interest bearing obligations of the Company have increased due to the necessity for recouping the treasury for such expenditures made in prior years. However, the capitalization of the Company is still conservative and well balanced, for, while the total assets at the end of the year amounted to $1,399,924,926, the capital obligations totalled $985,707,349, only of which $513,450,428 is interest bearing and the remainder of $472,256,921 is the capital stock of the Company. The conservative policy followed in financing the Company since its inception has been an important factor in enabling it to meet the abnormal conditions experienced in recent years.

After several years of practically continuous decline, traffic returns towards the end of 1933 commenced to show improvement over the corresponding periods of the previous year, and this improvement has continued during the first quarter of 1934. The gross earnings for this quarter increased $3,914,000, or 16.6 per cent. over the same period in 1933. Notwithstanding the inclusion of $449,898 pensions in 1934, working expenses increased $1,985,506 only, and net earnings from railway operations for the period were $1,928,960 more than in the same period a year ago. These results are encouraging, as they have been achieved in the face of continued unfavourable earn-

ings from grain and grain traffic which declined approximately 22 per cent.

The latest figures available show that from January 1st to April 21st of this year the gross revenue increased $5,007,000 or 17.3 per cent. over the corresponding period in 1933, the increase in freight revenue being $4,287,000 or 19.7 per cent. The improvement in net results of Hotels and Communications has continued into the current year. The improvement for the first quarter of 1934 over the same period last year amounts to $64,920 for Hotels and $64,090 for Communications.

The economic crisis in world trade has continued to affect adversely the revenue from your fleet of ocean-going steamships. Shipping business continued in a chaotic condition, due to the decrease in quantity of world traffic to be moved and to the large increase in shipping tonnage available for its movement.

On account of the extraordinary fluctuations in exchange conditions and prices it is difficult to determine from trade statistics to what extent the volume of the trade of the world has varied since the War, but it has been estimated that the volume of world trade available for cargoes is ten per cent. less than in 1913, and yet, allowing for increase in carrying power due to the size and greater speed of vessels now in existence, the ocean carrying power of the world is approximately 75 per cent. more than pre-war figures.

The efforts of many countries to develop home industries to meet needs formerly supplied by imported goods has had a considerable effect on requirements for shipping. In the endeavour to foster shipping many nations have adopted such measures as special regulations as to building, manning, victualling and inspection of ships; State aid in the form of construction loans at low rates of interest; State subsidies calculated on the basis of tonnage; State subsidies in the form of contracts for the carriage of mails; State aid by way of financing exports when conveyed on ships belonging to Nationals; preferred customs duties on traffic carried under similar conditions and the exclusion of foreign ships from coastwise traffic.

British shipping has been exceptionally hard hit by such measures, and the seriousness of the situation has compelled consideration of measures which will enable it to hold its supremacy in the shipping world. As an example of the present situation I need only instance the case of the Canadian-Australasian Line, Limited, which is jointly owned by your Company and the Union Steamship Company of New Zealand. Its ships plying between Canada, Australia and New Zealand have to meet the competition of ships of United States registry, built and operated with the financial assistance of the United States Government, not only in international traffic but in Australasian coastwise traffic, although ships of British or Canadian registry are not admitted to the coastwise traffic of the United States.

Your ships were specially designed for the particular requirements of the Canadian trade, and, while they have suffered in com-

mon with other lines from loss of revenue due to the competitive conditions referred to, they have also had to contend with an almost complete cessation of emigration to Canada. In consequence of a further decline of regular traffic on the Atlantic, we continued in 1933 the policy adopted in recent years of diverting a number of ships in that service to short cruise employment. There is some measure of satisfaction perhaps in the fact that the percentage decrease in North Atlantic passenger traffic between Canadian ports and Europe is less than that between American ports and Europe. Of the Atlantic passenger traffic to and from Canadian ports your ships again carried the largest volume, conveying 59.7 per cent. of the total traffic with only 33.6 per cent. of the aggregate departures and arrivals of all Steamship Lines.

During the years 1931, 1932, and 1933 the eastbound North Atlantic passenger movement exceeded the westbound, a situation which has not existed since 1919. There are, however, indications of an increasing westbound movement harmonizing with the upward business trend in the United States and Canada.

The Atlantic passenger carryings of the "Empress of Britain" have increased each year since she was commissioned in 1931. That every available opportunity has been taken to use the Empress most advantageously on the Atlantic will be realized by the fact that during the St. Lawrence season of 1933 she completed from Quebec to Europe and return, 13 voyages in 14 days or less for the round trip.

In December last the "Empress of Britain" under an 11-days Christmas and New Year Cruise from New York to the West Indies. This additional employment was possible on account of our changing the month of her departure on the World Cruise from December to January. The alteration in the Cruise sailing date, coupled with the ever increasing popularity of the new Empress, led to an extremely satisfactory increase in World Cruise bookings this year compared with last.

In 1933, 29,821 tourists were carried on the ships set apart for cruise employment, and the Canadian Pacific has established for itself a strong cruise position, not only in the United States and Canada, but in Europe. The popularity of short cruises has spread throughout the seven seas, and we have organized a number of short sea trips for tourists between Shanghai, Hong Kong and Manila, and between Vancouver and Honolulu. Another successful cruise effort was the introduction of a round the Pacific tour commencing at Vancouver by our regular Empresses of the Pacific and returning to the mainland by the "Empress of Britain" World Cruise. While there are some signs of an increasing passenger movement on the Pacific, the aggregate carryings of all Trans-Pacific Lines showed a decrease in 1933. It is, however, satisfactory to record that our First Class passenger carryings by the Empresses on the Pacific increased in 1933 over 1932, and, in general, we maintained our relative position for competitive Trans-Pacific traffic.

There is a continued increase in Independent Round the World Tour traffic. We carry such passengers by our "Empresses" across the Pacific to Hong Kong, and in conjunction with the great British Steamship Organization, the P. & O., convey them to Europe, whence they are transported back to their homes in Canada and the United States by our Atlantic Service and our rail lines.

The persistent and violent fluctuations in rates of exchange throughout the world continue to be a source of embarrassment to those engaged in an industry so international in character as that of shipping, and to the lack of rate stability thus created and the manifestations of economic nationalism to which I have referred, may be attributed the continued unsettled conditions in the various steamship conferences which have for their object the stabilization of the industry. The policy of your Company in the various steamship conferences of which it is a member, has been to co-operate in every way possible to insure the maintenance of rates and conditions on a basis of fair competition, and in the interest of the public as well as of the ship owners.

As to steamship freight traffic some improvement was shown, especially toward the latter part of the year, both in the quantity of cargo and in the proportion of package freight carried, with a resulting increase in revenue. Part of this improvement may be attributed to the results of the Imperial Conference concluded at Ottawa in August, 1932, and partly to the effect of the sterling exchange situation on Canadian exports.

During the year further operating economies were put into effect, and the resultant savings assisted by a reduction in cost of supplies purchased, especially fuel oil, enabled us to complete the year with an improvement in our steamship net earnings over 1932.

In the course of their year's work the vessels in our ocean-going fleets steamed in all a distance of 1,420,433 miles, and called at 101 different ports in various parts of the world, and I am glad to say that due to the careful navigation of our ships by their commanders and officers, and the good work of the engineering staffs, I can again report complete freedom from accidents of any consequence during the year.

The Statute known as the Canadian National-Canadian Pacific Act of 1933 has been in operation since the first day of July, 1933. By it, the Companies are directed to agree upon co-operative measures for the purpose of effecting economies and providing for more remunerative operation. Predicated as the Act is, on the maintenance of competition between them, it will be seen that the field of co-operation has limits, but your Directors and officers have devoted constant effort to apply the principle of co-operation in every branch of your undertaking to which it is capable of application with advantage. Up to this time eight such measures have been adopted and put into effect, involving an estimated annual joint saving of a million

dollars, and many others are under consideration, the saving from which cannot yet be estimated.

The railway structure of Canada is unsound and in good times as well as in bad involves economic waste of many millions of dollars per annum. It is idle to lay the blame to Governments or to Parliaments. We must view the situation in the light of our experience of present day conditions and our conception of the future trend of transportation in Canada. It must not be overlooked that the situation has changed materially since the views of your Directors were first placed before the Government of Canada. New forms of competition have arisen. The private motor, the bus and the truck are here to stay. That they occupy a useful place in the transportation system of the country cannot be disputed, but the public interest requires that the limits of their place in that system should be ascertained and their operations and tariffs, as well as those of water carriers, controlled in the same manner as the railways. Water competition threatens to increase, and the aeroplane has possibilities for the future which cannot be treated lightly. With these considerations in mind, I feel we should without delay fortify our railway situation to meet the new conditions and ensure the solvency of the private company and the nation. After many years of study I am of opinion that unification for the purpose of administration offers the only adequate solution of Canada's railway problem, and I have constantly advocated that view both publicly and privately. The proponents of the present competitive system assert that an equal, or at least a sufficient, economy may be effected by co-operation between the two Companies, but it must be patent that this cannot be so. They assert also that politics do not enter into the administration of the Government System, or political considerations into a solution of the problem. While I would like to believe that to be true, I have heard emphatic assurances of the same character made during the past years, and, unfortunately, they have been proved to be without foundation.

The submissions which this Company has made, coupled with a recommendation of joint administration by a private company, have caused some people to deduce that the effect of the proposal would be to turn the assets of the National System over to the Canadian Pacific, the Government retaining the liabilities. The Government's guarantee of the National System's securities means that there is no escape from their liability to the holders of these securities save by the unthinkable course of repudiation. The purpose of unification is to provide the owners of the National System with more money to satisfy their obligations than it is possible to secure if dual and competitive systems are maintained; likewise the same economies will increase the revenues of your company. It has never been suggested that the Canadian Pacific should assume ownership of the National System—that will remain with the Government of Canada as will the ownership of the Canadian Pacific remain with its present proprietors. In effect, the suggestion is a partnership with a division

on an agreed basis of the net earnings of the properties jointly operated. Private administration is recommended as that most likely to lessen or eliminate political influence and secure maximum efficiency. I am satisfied that in good times as well as in times of adversity unified administration gives the greatest assurance of economy and efficiency. The objection usually offered is said to be founded on fear of the consequences of monopoly, but I think the fear groundless. Railways do not and cannot enjoy a transportation monopoly, and the public interest may be fully protected by public control exercised through the Board of Railway Commissioners and the Government. I can see no reason why that control should not, under the system I have suggested, be as effectual as it has been in the past.

There will be laid before you for your approval certain by-laws which have been enacted by your Directors relating to the registration and transfer of Ordinary Capital Stock and the issue of Consolidated Debenture Stock in Canadian currency.

For some time past requests have been made to the Company to establish an office for the registration and transfer of Ordinary Capital Stock at Toronto, and the new by-laws authorize the Directors to establish such an office there, should they so decide, in addition to Montreal, New York, and London where offices are now maintained. Heretofore also the by-laws prescribed different forms of share certificates for use at the different transfer offices. In order to secure uniformity among these forms as far as may be possible and advisable, the new by-laws provide that share certificates shall be in such form as the Directors shall from time to time by resolution prescribe.

Up to this time Consolidated Debenture Stock has been issued either in Sterling or in United States currency, but your Directors consider it advisable that provision should be made for its issue in Canadian currency also, and the new by-laws so provide.

It was with the greatest regret that your Directors announced in the Report that no dividend could be paid either on Preference or Ordinary Stock in respect of 1933. They felt that it is in your interest, notwithstanding the natural disappointment with which you would receive such an announcement, that the financial resources of the Company should be strictly conserved until earnings should show a return to more normal figures, and a definite trend toward stability.

I have mentioned the improvement in rail earnings since the beginning of the present year. The increase has been mainly in the earnings of your railway in Eastern Canada. In a very peculiar sense the prosperity of this Company depends upon the prosperity of agriculture, and, therefore, of Western Canada, from which territory about 60 per cent. of its freight earnings are normally derived. Obviously, therefore, improvement in conditions in the West is essential in order to justify the claim of general prosperity. I can

only express the hope that the progress already made indicates the beginning of the general revival in industry and agriculture which we are all anxiously awaiting.

53rd ANNUAL REPORT OF THE C.P.R.

The accounts of the Company for the year ended December 31, 1933, show the following results:—

Gross Earnings	$114,269,688.16
Working Expenses (including all taxes)	93,407,582.39
Net Earnings	$ 20,862,105.77
*Special Income	6,222,481.14
	$ 27,084,586.91
Deduct Fixed Charges	24,388,614.66
Surplus	$ 2,695,972.25
Pensions	1,438,811.48
Balance transferred to Profit and Loss and Surplus Revenue Account	$ 1,257,160.77

PROFIT AND LOSS AND SURPLUS REVENUE ACCOUNT

Surplus Revenue December 31, 1932		$167,069,695.48
Balance of Income for the year ended December 31, 1933		1,257,160.77
		$168,326,856.25
DEDUCT:		
*Provision for depreciation of Ocean and Coastal Steamships	$ 3,854,481.41	
Exchange in connection with retirement of securities (net)	111,477.88	
Balance of unemployment relief expenditure, carried as deferred charges December 31, 1932	6,327,616.37	
Loss on lines abandoned, property retired and not replaced, and miscellaneous debits	2,039,600.73	
Provision for losses in respect of investment in lines in the United States controlled through stock ownership	4,000,000.00	
		16,333,176.39
Surplus Revenue December 31, 1933, as per Balance Sheet		$151,993,679.86

*Special Income is before depreciation on Ocean and Coastal Steamships. In 1932 provision of $500,000 for such depreciation was deducted from Special Income.

Earnings and Expenses. While the year 1933 witnessed a further decline in rail gross earnings, there was a betterment in the net of $772,121 in comparison with the preceding year.

The gross earnings were $9,667,025 less than in 1932. Passenger traffic earnings declined $2,437,535, decreases being recorded in each month throughout the year except in December. Freight earnings declined $6,196,147, mainly due to reduced grain traffic, there having been a decrease of 34 per cent. in such traffic during the period Aug. 1, the beginning of the crop year, to Dec. 31, as compared with the corresponding period in 1932.

The working expenses, including taxes, were $10,439,146 less than in 1932. Of this amount $2,182,290 was in maintenance expenses, and $6,987,492 in transportation expenses. The ratio of transportation expenses to revenue improved from 40.8 per cent. in 1932 to 38.2 per cent. in 1933. During the year the average freight train loading increased substantially, the gross tons per freight train

mile being 1,426 in 1932 and 1,515 in 1933. The fuel consumption improved from 114 lbs. per 1,000 gross ton miles in 1932 to 112 lbs. in 1933.

After protracted negotiations and proceedings before Boards of Conciliation under the Industrial Disputes Investigation Act, further revisions of wages were made, so that at the close of the year, except in respect of a group of employees with whom negotiations were unfinished, a deduction of fifteen per cent. from basic rates of pay of all classes of officers and employees was in effect, and in the case of the higher positions in the service twenty per cent. The deduction of twenty-five per cent. from Directors' fees was continued, and the deduction from the President's salary increased at his request to forty per cent.

The working expenses for the year, including all taxes, amounted to 81.74 per cent. of the gross earnings, as compared with 83.79 per cent. in 1932. Excluding taxes, the ratio of working expenses to gross earnings was 78.12 per cent. as against 80.42 per cent. in 1932.

Your Directors wish to again pay tribute to the spirit of loyalty displayed by all officers and employees in the fulfilment of their duties during the past year. Reductions of pay and trying conditions have in no way impaired their efforts to give efficient service and maintain the reputation of the Company.

Special Income. Special Income for the year improved somewhat over 1932. Net revenue from Miscellaneous Investments included a stock dividend of ten per cent. and a cash dividend of six per cent. from the Consolidated Mining and Smelting Company. Due to the changes in the price of Sterling and U.S. Funds, the amount to the credit of Exchange was $1,071,525 less than in 1932. The net earnings before depreciation of your Ocean and Coastal Steamship Lines reflect a moderate increase over the preceding year. There was a decrease of $75,509 in gross earnings of the Communications Department, but, as expenses were reduced $280,903, there was an increase in net earnings of $205,394. Gross earnings of Hotels decreased $380,930, and expenses $661,640, an improvement in the net results of $280,710. Other properties administered, the income from which is included under Special Income, have been most carefully managed and the favourable reversal in the trend of net results is encouraging.

Owing to the depression in all branches of the shipping industry, the "Empress of France," "Minnedosa," "Metagama," "Bolingbroke" and "Bothwell" were not commissioned during the year, and the last named two were sold. The "Empress of Australia," "Melita," "Montcalm," "Montrose" and "Duchess of Richmond" were laid up for varying periods, but all other vessels of the fleet were constantly employed. Your Directors are glad to be able to report that no serious accident to the vessels of your fleet took place during the year.

Land Sales. Sales of agricultural lands for the year were 67,100 acres for $716,925.41, an average of $10.68 per acre. Included in these areas were 2,619 acres of irrigated land which brought $44.80 per acre, the remainder averaging $9.30 per acre.

Accounts. An amount of $3,854,481 was appropriated from Surplus for steamship replacement, representing the full annual depreciation requirement of your Ocean and Coastal fleets for the year.

In view of the aggravated unemployment situation the Company kept its principal repair shops operating throughout the year on a restricted schedule. All expenditures incurred during the year have been taken up in the year's working expenses. Expenses incurred during former years for unemployment relief purposes, and treated as deferred charges, have been charged to Surplus, with a consequent increase in Reserve for Contingencies and Unadjusted Balances.

During the year the abandonment of nineteen miles of line between Bolton and Melville, and twenty-one miles between Burketon and Lindsay was completed. The necessary adjustments have been made in the Property Account.

The operating results of your controlled lines in the United States showed some improvement, but, as they were still operated at a loss, a further provision of $4,000,000 was made to provide against possible future writing down of the investments in these properties.

The investments of the Insurance Department have been included amongst the assets of the Company, and the Insurance Reserve included on the liability side of the Balance Sheet.

Dividends. Your Directors regret to announce that the results of the year's operations, coupled with the general situation, do not warrant the declaration of dividends on the Preference or Ordinary Stocks in respect of the year 1933. It may be stated, however, that the earnings of December, 1933, and January and February, 1934, show a gratifying improvement over those of the same period a year ago, and that the present indications point to the probability of a continued improvement.

Pensions. The amounts appropriated for pensions during the last few years have been less than the actual payments made, so that it has been necessary to draw upon the balance in the Pension Fund accumulated during previous years. There has been charged against this year's results $1,438,811 which, together with the balance remaining in the Fund, was sufficient to meet the pension payments. It has been decided that, effective January 1, 1934, pension payments will be charged currently to working expenses, thus conforming to the general practice of Railways in this respect.

During the year 325 employees were pensioned. The total number on the pension roll at Dec. 31, 1933, was 2,350.

Under 60 years of age	53
Between 60 and 65	208
Between 65 and 70	876
Over 70 years of age	1,213
Total	2,350

Capital Expenditures. In anticipation of your confirmation, your Directors authorized Capital Appropriations, in addition to those approved at the last Annual Meeting, aggregating for the year 1933, $718,368. During the year 1933 the retirement of property exceeded the additions and betterments, with the result that investment in railway, rolling stock equipment, lake and river steamers and hotels decreased $862,102. Approval is requested for capital expenditures during the present year of $2,625,957. Particulars of the principal items are:—

Replacement and enlargement of structures in permanent form...	$ 82,364
Additions and betterments to stations, freight sheds, coaling and watering facilities and enginehouses	16,637
Ties, tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	1,886,150
Replacement of rail in main and branch line tracks with heavier section	11,558
Additional terminal and side track accommodation	7,914
Additions and betterments to communication system	155,504
Installation of automatic signals	14,300
British Columbia Coast Steamships	4,970
British Columbia Lake and River Steamers	13,500
Additions and betterments to equipment	368,060

The prospective retirements of property in 1934 will, it is anticipated, again exceed the capital expenditures for which approval is now requested.

Finance. Owing to continued unfavourable conditions of the financial market, no Capital Stock or Consolidated Debenture Stock was sold during the year. For the purpose of retiring obligations maturing in 1933 and 1934, your Company borrowed from Canadian Banks the sum of $60,000,000, repayable in five years with interest at five per cent. per annum, secured by pledge of Consolidated Debenture Stock to the aggregate principal amount of $100,000,000, and by guarantee of the Dominion Government. Out of the loan, obligations maturing during the year, amounting to $38,750,000, were redeemed, and $1,411,100 of securities maturing in 1934 were acquired.

Minneapolis, St. Paul and Sault Ste. Marie Railway. Prolonged drought in the territory traversed by the railway greatly reduced the volume of grain handled, but improvement in other lines of traffic and reduction in expenses enabled the Company to show a decrease in net income deficit of approximately $700,000 as compared with the preceding year. In pursuance of its guarantee obligations, and to preserve your interests in the property, your Company ad-

vanced to the Soo Line $5,493,866, of which $916,581 was repaid during the year.

Agreement. Your confirmation and approval will be asked of an Agreement, to be retroactive to January 1, 1930, between your Company of the one part and His Majesty King George V, in the right of the Dominion of Canada, and The Commissioners of the Transcontinental Railway of the other part, amending and supplementing the Agreement between the parties dated January 1, 1915, in reference to the joint use by the Transcontinental of your Company's passenger and freight facilities at the City of Quebec.

Co-operation with Canadian National Railway Company. The Bill providing for co-operative measures between your Company and the Canadian National Railway Company with a view to mutual economies, to which reference was made at the last Annual Meeting, became law on July 1, 1933. During the year measures were agreed upon and put into effect, such as the pooling of train services between certain common points, and the consolidation of certain terminal facilities. None of these were of great magnitude, but they have proved mutually advantageous in the direction of economy. Many other and larger matters have been the subject of study and discussion, and your Directors believe that the new year will witness more important achievements in the same field.

Stock Holdings. The holdings of the Ordinary and Preference Stocks of the Company in December, 1933, were distributed as follows:—

	Ordinary		Preference		Percentage of Ordinary and Preference combined
	No. of holders	Percentage of Stock	No. of holders	Percentage of Stock	
Canada	32,447	18.46	85	.46	13 13
United Kingdom and other British ...	21,327	48.05	27,659	97.83	62 79
United States	17,417	27.55	33	.58	19.57
Other Countries	4,637	5.94	201	1.13	4.51
	75,828		27,978		

Death of Hon. Frederick L. Béique, K.C. It is with deep regret that the Directors have to report the loss sustained by the Company in the death on September 12, 1933, of the Hon. Frederick L. Béique, K.C., who was a Director since 1917, and who was also a member of the Executive Committee of the Board.

The vacancy on the Executive Committee created by the death of Senator Beique has been filled by the appointment of Mr. William A. Black to that Committee.

Retiring Directors. The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:—

SIR CHARLES GORDON, G.B.E.
MR. ROSS H. MCMASTER
RT. HON. REGINALD MCKENNA
MR. JAMES A. RICHARDSON
MR. W. J. BLAKE WILSON

For the Directors,

E. W. BEATTY,
President.

Montreal, March 12, 1934.

EXECUTIVE COMMITTEE

MR. EDWARD W. BEATTY
SIR CHARLES GORDON, G.B.E.
SIR HERBERT S. HOLT
MR. W. A. BLACK
MR. GRANT HALL*
MR. W. N. TILLEY, K.C.

BOARD OF DIRECTORS

MR. EDWARD W. BEATTY	Montreal
MR. W. A. BLACK	Montreal
COL. HENRY COCKSHUTT	Brantford
SIR CHARLES GORDON, G.B.E.	Montreal
MR. GRANT HALL*	Montreal
MR. JOHN W. HOBBS	Toronto
SIR HERBERT S. HOLT	Montreal
RT. HON. REGINALD McKENNA	London, Eng.
MR. ROBERT S. McLAUGHLIN	Oshawa
MR. ROSS H. McMASTER	Montreal
COL. FRANK S. MEIGHEN, C.M.G.	Montreal
MR. E. R. PEACOCK	London, Eng.
MR. JAMES A. RICHARDSON	Winnipeg
RT. HON. LORD SHAUGHNESSY, K.C.	Montreal
MR. ROBERT C. STANLEY	New York
MR. W. N. TILLEY, K.C.	Toronto
MR. W. J. BLAKE WILSON*	Vancouver

*Since deceased.

GENERAL BALANCE SHEET

DECEMBER 31st, 1933

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock Equipment, Lake and River Steamers and Hotels	$870,926,969.02	
Ocean and Coastal Steamships	116,436,893.17	
Acquired Securities (Cost)	181,746,612.77	
		$1,169,110,474.96
ADVANCES TO CONTROLLED PROPERTIES AND OTHER INVESTMENTS		18,824,889.63
INVESTMENTS AND AVAILABLE RESOURCES:		
Dominion, Provincial and Municipal Securities (Cost)	$ 3,103,439.24	
Mortgages Collectible and Loans and Advances to Settlers	3,366,093.31	
Miscellaneous Investments (Cost)	34,102,748.03	
Insurance Fund Investments	8,233,882.51	
Deferred Payments on Lands and Townsites	48,650,457.27	
Assets in Lands and Properties	54,257,484.00	
		151,714,104.36
WORKING ASSETS:		
Material and Supplies on Hand	$ 17,183,809.05	
Insurance Prepaid	209,225.10	
Agents' and Conductors' Balances	4,878,040.04	
Net Traffic Balances	491,820.36	
Accounts due from Dominion, Imperial and United States Governments	629,084.29	
Miscellaneous Accounts Receivable	7,384,694.21	
Cash on Hand	29,498,784.26	
		60,275,457.31
		$1,399,924,926.26

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$335,000,000.00	
Four Per Cent. Preference Stock	137,256,921.12	
		$ 472,256,921.12
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK	$515,911,548.74	
Less: Pledged as collateral to bonds and notes	224,500,000.00	
		291,411,548.74
BONDS AND NOTES	$205,409,700.00	
Less: Securities deposited with Trustee of 5% Equipment Trust	4,550,313.78	
		200,859,386.22
TWENTY YEAR 4½% SINKING FUND SECURED NOTE CERTIFICATES (1944)	$ 30,000,000.00	
Less: Purchased by Trustee and cancelled	8,685,800.00	
	$ 21,314,200.00	
Less: Amount held by Trustee	134,706.96	
		21,179,493.04
CURRENT:		
Audited Vouchers	$ 4,245,966.56	
Pay Rolls	2,520,159.19	
Miscellaneous Accounts Payable	2,157,457.07	
		8,923,582.82
ACCRUED FIXED CHARGES		1,474,008.83
DEFERRED:		
Dominion Government Unemployment Relief	$ 2,447,222.71	
Miscellaneous	322,437.30	
		2,769,660.01
RESERVES:		
For Equipment Replacement	$ 8,717,784.31	
For Steamship Replacement	31,513,584.95	
For Insurance	8,233,882.51	
For Contingencies and unadjusted balances	9,553,010.08	
For Investments	8,000,000.00	
		66,018,261.85
PREMIUM ON CAPITAL STOCK SOLD (LESS DISCOUNT ON BONDS AND NOTES)		66,993,894.72
LAND SURPLUS		116,044,489.05
SURPLUS REVENUE		151,993,679.86
		$1,399,924,926.26

L. B. UNWIN,
Comptroller.

AUDITORS' CERTIFICATE:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1933, and having compared the above Balance Sheet therewith, we certify that, in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the statements of Income and of Profit & Loss and Surplus Revenue correctly set forth the result of the year's operations.

PRICE, WATERHOUSE & CO.,
Chartered Accountants, (England).

Montreal, March 9, 1934.

ANNUAL ADDRESSES AND REPORTS

OF THE

BANK OF MONTREAL*

The 116th Annual General Meeting of the Shareholders of the Bank of Montreal was held on Dec. 4, 1933, in the Board Room at the Bank's Headquarters in Montreal, Sir Charles Gordon, G.B.E., in the chair. The Annual Report of the Board of Directors was read by the Joint General Manager, Mr. W. A. Bog, as follows:

Profit and Loss Account

Balance of Profit and Loss Account, 31st October, 1932		$1,248,856.50
Profits for the year ended 31st October, 1933		4,005,153.59
		$5,254,010.09
Quarterly Dividend 2½ per cent. paid 1st March, 1933	$ 900,000.00	
Quarterly Dividend 2 per cent. paid 1st June, 1933	720,000.00	
Quarterly Dividend 2 per cent. paid 1st Sept., 1933	720,000.00	
Quarterly Dividend 2 per cent. payable 1st Dec., 1933	720,000.00	
	$3,060,000.00	
Provision for Taxes Dominion Government	508,558.81	
Reservation for Bank Premises	100,000.00	
		3,668,558.81
Balance of Profit and Loss carried forward		$1,585,451.28

During the financial year, twenty-five offices were closed throughout the Dominion of Canada. One branch in Mexico was also closed.

The Directors have to record, with deep regret, the death of their late valued colleagues, Mr. G. B. Fraser and General Sir Arthur Currie, G.C.M.G., K.C.B., the former a member of the Board since 1917 and the latter elected a Director in 1920, and of Mr. James Hutchison, shareholders' auditor. In accordance with the terms of the Bank Act, Mr. W. D. Glendinning, C.A., was appointed by the Minister of Finance to fill the vacancy by the death of Mr. Hutchison.

All the offices of the Bank, including the Head Office, have been inspected during the year.

Address of Sir Charles Gordon, G.B.E., President

Since our last Annual Meeting, two of our Directors, Mr. G. B. Fraser and Sir Arthur Currie, have been removed by death.

Mr. Fraser was a man of outstanding integrity and a citizen of whom we were all proud. He represented on our Board of Directors the views of a large class of our fellow-citizens—I might say the most conservative element—and I feel that the Board has lost one whose opinions were always welcomed and invariably well-founded.

*NOTE.—For a History of the Bank of Montreal, see Supplement to *The Canadian Annual Review, 1910*; for succeeding Addresses and Reports, see Volumes *1911* to *1933*.

Sir Arthur Currie was outstanding in the service of his country. The breadth of his experience brought to our meetings a rare judgment in many matters and his loss will be felt not only by his confreres at the meetings of your Bank but in the many other fields of activity in which he was engaged.

You have before you the report of your Directors for the year ended October 31st, as well as the statement of profits in that period, together with the statement of assets and liabilities, all of which I trust you will find satisfactory having in view the exceptional conditions which have prevailed.

The year has been a difficult one, but in the later months business in general has shown evidences of a return to more normal conditions, and I am glad to say that this has been reflected in the affairs of your Bank.

During the year your Board of Directors have supervised the Bank's affairs with the greatest of care, and I have no hestitation in assuring you that in our opinion the provision made for bad and doubtful debts is ample to cover all losses for which the strictest prudence would make allowance.

The Economic Situation. During the year strange and startling events have occurred in the field of finance and economics, particularly in the United States. Beginning with a run on banks in the State of Michigan which necessitated the closing of these institutions, the panic rapidly became country-wide, causing in the month of March the unprecedented and until then unbelievable situation of every bank in the United States temporarily suspending payment. To this alarming condition, combined with severe trade depression and large unemployment, may be attributed the measures of the Congress and the drastic plans for reconstruction launched by President Roosevelt, and presently in process of execution. The United States went off the gold standard at a time when the country held upwards of $4,000,000,000 of the metal, and repudiated contractual obligations of bonds issued in terms of gold. A deliberate policy designed to depreciate the value of the American dollar has been pursued to the point of depreciation in terms of gold of nearly 40 per cent., in expectation that commodity prices would rise in the domestic market in close proportion to the drop in the dollar, an expectation not yet realized.

Other measures wide in scope, involving an immense expenditure of public money, have been taken to revive business and put men back to work, among them bonusing of farm products in compensation for reduced production, loans for building construction, loans to railways to provide equipment, loans to assist in mortgage payments, and all-embracing codes to regulate the conduct of industry and trade, hours of labour, scale of wages and rate of profits.

Strange to say, although some of the most far-seeing men in the United States have pointed out that there must be a resumption

of trade with other countries if prosperity is to be restored to the United States, this seems to have been entirely lost sight of. Although it was expected that the United States would join with other countries at the World Monetary and Economic Conference to discuss the stabilization of exchange and the modification of tariffs, it was considered by President Roosevelt that any discussions along these lines would interfere with his policy for domestic recovery. It would be unbecoming in me to comment upon this policy, novel in part and not lacking in courage. We can, however, wish it successful fruition because prosperity in so vast, so largely populated and so highly developed a country as the United States must radiate to Canada and could not fail to be helpful to the world at large. Meanwhile, it may be said that many of the problems which are now confronting the United States, such as unemployment relief, old age pensions, allowances to those who served in the war and many other social problems, have already been faced by Great Britain and are working out there in a satisfactory manner.

In Europe the situation has been rendered obscure by a rapid succession of events. The disappointing results of the World Conference, Germany's abrupt termination of the Conference on Disarmament and notice of withdrawal from the League of Nations, the War Debts dilemma and uncertainty concerning possible consequences of the experiments of the United States, have all combined to retard economic and financial reconstruction.

France strives to balance her budget and cling to gold; Germany struggles to adjust herself to a new form of government, with the attitude of both countries further complicating settlement of the grave political and economic problem of disarmament. Standing out clearly, however, is the definite improvement which steadily continues in Great Britain. That country's faith in simple, well-proved methods has once more been justified. Britain's credit stands as high as ever and London has regained her position as the financial centre of the world. Once more, at great sacrifice on the part of the British taxpayer, the budget was balanced. Government funding operations have effected important economies which, with a decided improvement in revenue and decreased expenditure, have given rise to legitimate expectations of a surplus for the current fiscal year and of some lightening of the onerous burden of taxation. With industries reviving under tariff protection, steadily decreasing unemployment and rising exports, Great Britain carries on while doing her best to aid in solving the grave international problems of the day.

Royal Commission on Banking and Currency. In the affairs of Canadian banking during the year the outstanding feature has been the investigation conducted by a Royal Commission on Banking and Currency under the chairmanship of Lord Macmillan, the purpose being to prepare a report and recommendations to assist Parliament in anticipation of the decennial revision of the Bank Act.

I will not take up your time by going into the question of a Central Bank very fully, but I would say that in considering the advantages or disadvantages it is of first importance that the banking system in operation should be taken into account, and in this connection it is well to remember that two of the members of the Royal Commission were Canadians thoroughly versed in the banking and economic conditions of this country. These two members are not in accord with the rest of the Commission in their findings. Their intimate knowledge of the affairs of the country and of the present system no doubt influenced them in their conclusions.

Two matters which must be taken into consideration are—first, the cost of setting up and operating such an institution, which cost could not but be passed on to the public; and second, the probability that the bank would always be under the control of a political party and that its cost of operation and the control of credit would therefore be subject to political influences. We have before us the example of the Canadian National Railways, the cost and operation of which have got out of control largely because of political influences. In the United States they have a Central Bank, the Federal Reserve. It was expected when this was established that it would be operated without political influences being exercised upon it, but one has only to look at the huge expenditures which have been sanctioned by Washington and which must be carried out by the Central Bank and the Reconstruction Finance Corporation, which is virtually a subsidiary of the Central Bank, to see how little the elimination of political influence is to be relied upon. There seems to be only one conclusion which can be arrived at with regard to the situation at Washington and that is, that the national debt of the United States, which three years ago stood at sixteen billions of dollars and now stands at about twenty-two billions, will reach a colossal sum before the present programme is carried to fulfilment. The same thing might happen in Canada.

Trade and Industry in Canada. Turning to the field of trade and industry, it is not a matter of opinion but of statistical fact that during the past year in practically every country of importance there has been a revival of business—in some countries a remarkable revival. Canada has shared in that revival, trade, both internal and external, having progressively improved since February, when the low point in recent years was reached. Complete returns for seven consecutive months since that time are available, and they show that these seven months have been months of recovery. As indicating the extent of this recovery I cannot do better than refer to figures which were issued in October by the Dominion Bureau of Statistics, these being the latest available. They show in seven months a gain in business of 35.5 per cent. and a gain in manufacturing of 65.2 per cent.

I will not go into detail with regard to the various industries, but I would like to mention three problems which are prominent,

namely, our wheat situation, the condition of the engineering and building construction industry and the problem of our railways.

A most serious situation has developed in our western provinces, owing to the fact that hundreds of millions of dollars have been spent on railways, branch lines and other means of transportation, also upon elevators for the handling of the western grain crops, these expenditures all being based on the assumption that the full surplus of the crop of wheat would always be readily marketable abroad at a fair price. Not only have these expenditures been entered into, but legislative buildings, educational establishments and widespread programmes involving public commitments have also been embarked upon on the same assumption. Owing to the gradual closing of markets in those countries which took the large surplus of wheat that Canada had available for sale abroad, Canada now finds itself with heavy stocks of wheat which have been increasing from year to year, until at November 10th they stood at something in excess of 250,000,000 bushels. As it becomes more and more clear that it would be unwise to depend so largely upon wheat in the future, it is of the utmost importance that concerted efforts be undertaken to diversify production and broaden the development in the western provinces.

Engineering and building construction has been hard hit by the depression. The rapid pace of this industry before 1930 resulted in over-building, and an extensive revival cannot be expected until new demand is created. Governments are not in a financial position to undertake erection of public works, nor to proceed with important engineering projects. The industries wholly or partly dependent on construction are many, and the number of skilled artisans large.

Our railways continue to struggle against adverse conditions. The National line has been from its inception a drain upon the public treasury. Its debt is upwards of two and a quarter billion dollars. Interest on the National Railways bonds in the hands of the public, plus interest on moneys representing outlays by the Dominion Government on behalf of the National Railways, together with the operating deficit of the railway, amount to approximately the sum of $100,000,000 annually. The pioneer transcontinental line, the Canadian Pacific, an enterprise in which Canadians have pride by reason of the sagacity, efficiency and ability of the management since its inception, an enterprise which has contributed more to the development and progress of Canada than any other agency, has been confronted with the unfair competition of the State-owned road to the disadvantage of both without compensating public benefit. In this circumstance amalgamation would seem to be the course of common sense. Parliament has deemed otherwise. The legislation of last Session sought a compromise between competition and amalgamation by means of enforced co-operation, and some measure of economy has thereby been effected. The entity of each system, however, remains, with dual services, dual executives, dual operating

staffs, where one would suffice, and the opportunity to cut cost to bedrock has not been availed of. One may hope that co-operation will be firmly pressed to its extremest limit in the interest of the taxpayers. There still remains the competition of motor vehicles, which enjoy a free road-bed and light taxation. This problem is engaging the attention of governments and it is to be hoped that means will be found to restrict the competition of trucks and buses in the interest of the railways, an immensely greater utility.

In considering the problem of our railways we should bear continually in mind that they are the largest single employer of labour in Canada, that many allied trades flourish when our railways flourish and that, therefore, if only for selfish reasons, each of us should consider this his individual problem and assist to the extent that he can in its solution.

Foreign Trade. In respect to Canada's foreign trade, significant is the fact that in every month since April exports have been substantially larger in value than in the corresponding month of 1932, and the same can be said of imports since June last. A particularly gratifying feature is the reversal in the balance of foreign trade. Three years ago, in the twelve months ending with October, imports exceeded exports by $98,466,000, whereas in the twelve months ending with October of this year, exports exceeded imports by $125,726,000. This reversal in the trade balance of $224,000,000 in three years has been of incalculable advantage to Canada, a debtor country, in maintaining its credit and the relative stability of its currency. The swing of trade to Empire countries, a movement encouraged and fostered by the compacts made at the Imperial Economic Conference in Ottawa last year, has been marked. The percentage of Canada's trade with British countries in the fiscal year 1930 was 34 per cent. of the whole, while in 1933 it was 46.9 per cent. The tariff concessions now being given by Great Britain to a number of important Canadian primary products have proved of definite benefit, as has also the rise in sterling. Lastly, in this connection may be mentioned the fact that in the seven months to October last dutiable imports declined $24,249,000, while free imports increased $6,826,000 compared with the corresponding period last year, indicating greater industrial activity in Canada, since free goods comprise raw materials for domestic manufacture.

Governments—Finance. Taxation, Federal, Provincial and Municipal, continues to press heavily upon all kinds of business and all classes of people. Statistically, the situation is startling, expenditure by these governments having increased from $297,129,000 in 1914 to $1,052,623,000 in 1931, or by 254 per cent., while in the same period the increase in population was 35 per cent. Falling revenues necessitate new levies to meet fixed charges on inordinate debt, and budgets remain unbalanced. Demands upon our various governments do not abate. Care of the unemployed is costly. Yet, some

slight improvement may be noted. Governments have cut down controllable expenditure, revenues are rising and cheaper money has enabled debt conversion into lower rate interest bearing bonds to be made. There has been a diminution in the number of unemployed. Rigid economy by all governments must, however, persist until the present oppressive weight of taxation is lifted, if Canadian trade and industry are to flourish. In connection with governmental financing may be mentioned the re-entry of the Dominion Government into the London money market last August with a loan, handled in that centre by your Bank, of £15,000,000 which was largely oversubscribed, and the successful placing of a domestic Dominion loan of $225,000,000 in October, of which $170,000,000 was in the nature of a conversion.

Encouraging Signs. In what I have said, I would not have you think I have struck a depressing note. It is much to know that practically the world over trade is better than a year ago, and that in Canada, for the better part of this year, definite improvement in business has been going on. From personal observation I can say that a number of businesses of which I have an intimate knowledge are showing marked improvement. Canada's external commerce has grown in volume and value; nearly all industries have participated in enlarged production and a better market. Increased consumption of hydro power has occurred. Textile mills have been well employed. Newsprint output is greater. Notable is the revival in the lumber trade after several years of steady recession—a revival caused by improved foreign markets, particularly the British—and outstanding is the success of the gold mining industry and improved output of other metals. The heavy industries, iron and steel, have not shared noticeably in the upturn because of the dullness in construction, and lack of orders from the railways for rails and rolling stock. Larger car loadings, increased bank clearings and bank debits, rising imports, especially of raw materials, a substantial decrease of unemployment and general confidence that the end of the downward path has been reached, are all encouraging signs. The word of cheer I give you is that business comprehensively is better and that there are some sound reasons to believe that the betterment will expand.

Address of Joint General Manager, Mr. Jackson Dodds

The Chairman then called upon Mr. Jackson Dodds, as Joint General Manager, to read the address of the Joint General Managers, which was as follows:

Mr. Chairman and Gentlemen:

On behalf of Mr. Bog and myself I have the honour to present to you the one hundred and sixteenth annual Balance Sheet of the Bank.

Following are the principal changes in the Balance Sheet:—

Our Total Assets now amount to $768,500,000 against $769,-200,000 a year ago, a decrease of $700,000.

Quick Assets, comprised of cash, call loans, bank balances and high grade securities, aggregate $492,500,000, or 71.15 per cent. of Liabilities to the Public, compared with 63.46 per cent. last year.

Reserves in actual cash total $78,300,000, or 11.31 per cent. of Liabilities to the Public. The Bank's traditional policy of maintaining a strong position continues to be followed in the interest of our depositors and in order that we may at all times be open to take on desirable new borrowing accounts, large or small, without curtailing our ability to meet the legitimate needs of present customers.

Call Loans at $43,900,000 show an increase of $18,700,000. Those in Canada are up $2,500,000. Others are up $16,200,000.

Our Deposits in other Banks, $25,400,000, are lower by $6,300,000.

Investments, not exceeding market value, amount to $317,000,000, as compared with $267,000,000 last year, an increase of $50,000,000. Dominion and Provincial Government Securities are up $61,000,000, and Railway and other Bonds and Stocks $3,000,000. Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian are down $14,000,000.

Current Loans in Canada (including advances to Municipalities) total $236,000,000, a decrease of $45,000,000. Under this heading are advances to producers of primary products, to manufacturers and to customers engaged in all branches of commerce, and the reduction reflects the lessened requirements of borrowers in these classes.

Current Loans elsewhere aggregate $11,800,000, a decrease of $6,000,000.

Bank Premises are shown at $14,500,000, the same figure as in 1932.

In valuing our assets ample reservations have been made for contingencies, bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at $36,000,000 and $38,000,-000 respectively.

Deposits total $634,700,000, a decrease of $1,000,000. Notice Deposits are down $15,000,000 and Demand Deposits $2,000,000. Dominion and Provincial Government balances are up $16,000,000.

The interest rate on Savings Deposits was reduced from 3 per cent. to 2½ per cent. as from 1st May last by all the Banks.

We have over one million deposit accounts in Canada, which bears testimony to the Bank's long established policy of maintaining a strong position and to the quality of the service rendered. The reduction in total Notice Deposits is evidence that many are obliged to draw on their savings, which have proved a boon to them in these times of reduced income.

Advances under the Finance Act, $9,000,000 represent our share of the $35,000,000 special borrowing by all the Banks in November, 1932.

Balances due to Banks are $6,600,000, a decrease of $6,400,000.

Profits are shown at $4,005,000, as compared with $4,663,000 last year, a decrease of $658,000. The balance carried forward is $1,585,000, an increase of $340,000.

Since the last Annual Meeting we have not opened any new branches but have closed 26 which, after a fair trial, continued to show operating losses. During the same period the total number of branch offices closed in Canada by all the banks was 152; of this total 53 were sub-agencies. As mentioned on a former occasion, business in rural districts is steadily gravitating to the central points as a result of improved roads and the speed of travel.

The printed report of this meeting, which will be mailed to all shareholders, will contain interesting reviews by our Assistant General Managers, of agricultural, industrial and business conditions in the various provinces.

Conditions in Canada. When we met twelve months ago we looked back upon a year about which the best that could be said was that it was past; there was little to encourage hope for the year which is now under review. Notwithstanding the apprehensive outlook, it can now be said that improvement has taken place. It would be a greater satisfaction to be able to say that it was shared in by all alike. Unfortunately this is not the case, but if conditions elsewhere do not interfere, we may look forward to a more general improvement. Canada, whose foreign trade is the fifth largest in the world, cannot be expected to return to prosperity until world trade is resumed on normal lines. Every country appears to be striving for an excess of exports over imports, but this will remain a mathematical impossibility. Meanwhile the greatest creditor nation in the world will not accept payment of debts owing her, in the only form that they can be paid, namely, in goods or services, and her money market is practically closed to outside borrowers.

The wheat crop for all Canada is estimated by the Bureau of Statistics at 271,821,000 bushels, as compared with 428,514,000 bushels last year. It has been a disappointing year in agriculture, and until the debt-paying and purchasing power of farmers is restored domestic business generally cannot regain normal activity.

Commodity prices, which declined persistently throughout 1932 and the first two months of 1933, showed some recovery in March and this recovery continued to July, since when there has been a minor recession.

Manufactured goods appear to have held most of their mid-summer gains. Average prices have remained through the depression closer to 1926 levels than have the average prices of raw materials.

Prices of farm products sank to a critically low level at the end of 1932, showed substantial improvement in 1933, but have receded from the peak of July. In September, farm prices were below one-half of the 1926 level.

This disparity in price movements imposes a crushing burden on agriculture, particularly on the grain producer.

Largely as a result of measures arising from the Imperial Conference at Ottawa, prices of animal products not only showed improvement since February last, but have risen fairly substantially since July. This is a welcome development, and it is hoped that Canada's participation in the valuable market for bacon and ham in the United Kingdom may continue to increase. Full advantage of this and other export opportunities offered can be secured only by careful study of British markets with a view to supplying what is desired, in reasonable quantities and at the right time.

Canada's trade within the British Empire increased by $23,500,000 during the year ended 30th September, while the balance in Canada's favour was over $30,000,000 greater than during the previous twelve months.

On the other hand, our trade with the United States during the same period decreased by $105,000,000. For years past our purchases of goods from them have far exceeded their purchases from us, but it is interesting to note that the disparity against Canada narrowed this year to $50,000,000, as against $92,000,000 in 1932.

While Canada's world trade decreased by $110,000,000 her favourable trade balance of $126,000,000 showed an increase of $84,000,000.

Tourist expenditures in Canada have been on a reduced scale.

Bank debits since April have been well over last year's figures, reflecting increased business turnover. Manufacturing activity is fairly satisfactory in the light of prevailing conditions, and particularly in the case of tobacco products and, to a lesser extent, flour milling. Canada is the second largest manufacturing country in the British Empire. Whereas formerly England had to compete in this market with foreign countries only, she now has the domestic manufacturer to meet. British firms have been slow in considering the advisability of establishing subsidiaries in Canada, as compared with American corporations which have done so with profit.

Imports of wool, cotton and crude petroleum have been abnormally high. The export market for lumber has improved appreciably, largely as a result of the Imperial Economic Conference held in Ottawa in 1932. Newsprint exports to the United States have increased latterly, but the volume of trade and the prices will have to show substantial betterment before reasonable levels are restored.

Industrial employment at the beginning of November showed its seventh consecutive monthly increase.

Great activity continues in the mining of precious metals, and producing gold mines are earning high profits.

New construction is at a low ebb as we have an excess of physical equipment over the needs of our present population.

Commercial failures in Canada for the twelve months ending September numbered 2,213, with liabilities of $47,963,000. This compares with 2,427 failures, with liabilities of $49,684,000, during the previous twelve months.

Immigration. During the twelve months ending with August, total immigration was 15,467 including 14,086 returned Canadians, compared with a total of 22,030 the previous twelve months, which included 18,496 returned Canadians. Great Britain has a large surplus population to distribute over the Empire annually and funds are provided from public and private sources to assist in this distribution. It is apparent that Canada is not attracting her share of agricultural families though we are in need of more people and have low-priced farms and free land suitable for mixed farming, where with helpful supervision the right type would soon become self-supporting.

Central Bank. The postponed decennial revision of the Bank Act, which was due in 1933, will come before the next session of Parliament. In the meantime, Banking and Currency in Canada have been overhauled by a Royal Commission which visited every province of the Dominion and listened to the representations of any and all who wished to appear before them, including the banks.

The distinguished gentlemen who comprised the Commission performed their task with the utmost patience, tact and discretion, and their report contains a great mass of valuable data which will provide an authoritative source of reference.

Our banking system has weathered a world-wide storm unprecedented in history, and it remains to be seen whether or not it is to be allowed to continue to serve the needs of the country as in the past.

The banks in Canada are owned by 48,271 shareholders, and have had entrusted to them the uninvested funds of over four million depositors. It is not unlikely that the views of depositors and shareholders as to the need for drastic changes in our system will be taken into consideration. So far as the institutions themselves are concerned, there are only ten of them, they are national in scope, and it is safe to say that they will accept, in a spirit of co-operation and goodwill, whatever decision may be reached in the general interest.

Taxation. Governmental bodies, of which we have in Canada besides the Federal and nine Provincial, over four thousand Municipal, do not all welcome advice from taxpayers as to the need for economy in spending. Many elected bodies seem to feel that if they do not spend enough to make themselves popular they will be

ousted and replaced by less capable administrators who might spend more. Fortunately this may not be said of all governing bodies, but the growth of the tax burden to the point it has now reached, which is admittedly the limit of endurance, and in some cases beyond it, can mean one thing only, and that is drastic reduction in ordinary and special expenditures. Budgets must be balanced if credit and solvency are to be maintained.

This will involve the discontinuance of many outlays for services which have come to be looked upon as necessities, but which we cannot afford to pay for and must therefore do without. These do not include intelligent and well administered expenditures for relief of the many who, through no fault of their own, are temporarily denied an opportunity to earn a living and must be helped as a matter of ordinary course in times like the present.

There is nothing in what has just been said that is not well known to members of governing bodies, and its purpose is to emphasize to citizens that in paying taxes (direct and indirect) they do not discharge their full obligation; there is still the important duty of insisting that the same care be exercised in the use of public moneys as taxpayers exercise in their own personal expenditures.

United States. One of the most potent influences retarding recovery throughout the world has been uncertainty, for without some feeling of assurance as to what lies before them prudent business men avoid making future commitments. Particularly has this been evident in the United States, where, with all the equipment necessary, an abundance of capital, the widest diversification of products, and the largest domestic market of any country in the world, business has been at a low ebb. Various well-intentioned plans of a nature and on a scale never before permitted in a democratic country are being put into effect, accompanied by a promise to try out still others if necessary to goad business upgrade. The undertaking of such a colossal and unprecedented experiment is of course their own affair, and our earnest wish in Canada is, as it may well be, that success may be achieved. Failure would have an incalculable effect on the morale of the people if not liberally discounted in advance. Our proximity to the United States, and our close association in business, cause us to take more than a detached interest in the progress of events there.

A great many in the United States still think that continued patience and perseverance in clearing away the wreckage caused by the bursting of the boom would have been of more enduring benefit than a headlong pursuit of phantom prosperity.

It would be wholly incomprehensible if the United States, in spite of repeated examples, ancient and modern, of the final effects of currency inflation, permitted themselves to be dragged down. The measured doses that have been administered have already created a craving for more, and it will require a high order of courage and

stamina to prevent a complete breakdown. So much has been written and said on the subject of currency inflation that it is not proposed to take up your time by repetition.

In March last, banking throughout the United States was summarily suspended. Since that date efforts have been made to resume the service, but there are still locked up in institutions, closed or operating on a restricted basis, deposits totalling $2,000,000,000, a sum in excess of the total savings deposits in Canada.

London, England. The situation in Great Britain is in refreshing contrast with that of a year ago. The pound had then reached its low of $3.14½ in terms of United States dollars. To-day it once again enjoys the confidence of the world. Government funding and the low interest cost of the floating debt have resulted in important savings to the Treasury. The exchequer revenue and expenditure position as at 23rd November has improved £46,000,000 over a year ago. The adverse balance of trade for ten months to October 31st at £205,000,000 has been reduced by over £31,000,000. Industry in general is expanding under tariff protection and low interest rates. Unemployment is steadily decreasing and has lessened by over 448,000 in the past year. At the same time, the cost of living has increased little, prices of general commodities having risen some 4 per cent. only during the year.

Money has been superabundant in the London market during the past year and low rates of interest continue. The Bank of England rate has held at 2 per cent. and the call money rate, which has been as low as ¼ of 1 per cent., is now about ¾ of 1 per cent. per annum. The rate for three months treasury bills has fluctuated between ¼ of 1 per cent. and the present 1 per cent. Stock exchange securities in general and British funds, industrials and home rails in particular have appreciated considerably during the past few months. The market is held to be in a healthy condition, which, however, might become somewhat impaired should there be any substantial increase in the volume of foreign money seeking employment in London. Purchasers of gold continue willing to pay a substantial premium over the continental parity value of the metal for the privilege of having it in London.

Capital issues for the twelve months ending 31st October at £128,848,000 were some £24,000,000 greater than for the previous year. Restrictions still exist concerning the flotation of capital issues but exceptions continue to be made in favour of some Empire requirements.

The extent of the depreciation of the dollar is beginning to be a cause of some concern to British exporters although they hope that continued low prices of raw materials may remain an offset against unfavourable effects on British trade.

France. Conditions in France are in some respects less satisfactory than a year ago. A large budget deficit, already high tax-

ation, and the difficulty of reducing public expenditure, face the country's fourth government of the year 1933. Owing to the depreciation of foreign currencies in relation to the gold franc, exports have been seriously affected and the visible adverse balance of trade at francs 8,703,000,000 (provisional figures) has increased during the ten months to 31st October by francs 444,000,000 over last year's actual figures. Unemployment has increased somewhat and income from tourists considerably reduced. On the other hand, crops have been good and general industrial production has improved some 15 per cent.

Notwithstanding the large stocks of gold in the Bank of France and the wishes of government and public, doubts are expressed as to whether, in view of foreign withdrawals of gold which have already begun and possible internal drawings, France may not be forced to abandon the gold standard.

Conclusion. It is a wholesome and a healthy exercise to think optimistically, and the annals of this Bank, the history of former depressions and present indications fully support the confident hope that normal times will return. But we must not be unmindful that Canada's prosperity is dependent upon keeping her own house in order and on the ability and the willingness of other countries to purchase her products, for we are not without competition.

Natural correctives are working toward world recovery, but many artificial barriers still impede progress. Economic and financial disruption have been brought about to no small extent by the operations of Central Banks under political influence, by excessive tariffs and quotas, by exaggerated nationalism bordering on ancient tribalism, the stoppage of free migration of peoples, distrust and selfishness, by impatience, a loss of individualism on the part of citizens and their surrender of independence in many former democratic countries.

In contrast, Canada is fortunately circumstanced in that it is a young country, with an abundance of nature's gifts, with a hardy people, self-reliant and free of traditional hatreds, and with an inspiring past and a boundless future.

Mr. Dodds reviewed, in a comprehensive manner, conditions in the Provinces of Canada, as well as in Newfoundland and Mexico, dealing with commercial developments, financial affairs, and the economic situation generally. In the Province of Quebec, crops generally were slightly below average and the small increase in prices of agricultural products had been of little real benefit to the farmer on account of rising costs of other commodities. Unsettled conditions prevailed in the newsprint industry and present price levels on restricted tonnage prevented profitable operations. Flour mills reported better volume of domestic and export trade; cotton mills' sales had steadily increased; woollen mills had operated on a larger scale than in the previous year, and artificial and real silk mills had been operating at capacity throughout the year. There had been a distinct

upturn in the boot and shoe business; building construction was less than last year. Prevailing low prices for primary products, together with reduced wages were still forcing a large part of the population to confine purchases to necessities. In the Province of Ontario crops were of good quality but the yield was below average. Lumber mills continued to operate on a restricted schedule but with a better demand stocks had been reduced and prices were firmer. The pulp and paper industry had shown improvement during the last six months of the year, production of minerals was greater, especially in nickel, lead and zinc, while the demand for gold had stimulated mining activity in Northern Ontario and resulted in resumption of operations of several low grade properties. A marked increase was shown in industrial activities from the early Summer to the end of the year. Operations of farm implement manufacturers had been largely confined to repairs and part replacements. Wholesalers experienced an increase in business. In the Maritime Provinces potato acreage was smaller but prices higher, with an excellent crop of apples, a dull domestic market for lumber, a dwindling dried fish industry but increasing business in fresh fish. Coal mines had been more active in the latter part of the year. Altogether the Maritimes had experienced a difficult year. In the Prairie Provinces, grain yields were poor and prices although better remained unprofitable. The wheat crop was about 250,000,000 bushels comparing with 435,000,000 bushels in 1932 and a ten-year average of 385,000,000 bushels. The yield of all crops per acre was the smallest since 1919. Manufacturers felt the pinch of slow business but wholesale merchandising in certain food and clothing staples had recovered slightly. Credit was given sparingly. Farmers had cut operating expenses to a minimum, but prices brought less than cost. In British Columbia, numerous coastal lumber mills had resumed operations through increasing exports to the United Kingdom owing to the embargo placed on Russian lumber. Extensive development work had taken place on many gold properties. The salmon pack was above that of the previous year by some 136,000 cases. Grain shipments through Vancouver during the 1932-33 grain season reached a new high record at 96,872,772 bushels. Business, while still below normal, showed a marked improvement over 1932 as a result of the increased activity in the lumber and mining industries.

The Report on motion of Sir Charles Gordon, G.B.E., seconded by Mr. H. R. Drummond, was then adopted, the usual votes of thanks tendered, and the following gentlemen duly elected Directors for the ensuing year: The Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, The Honourable Patrick Burns, The Honourable Henry Cockshutt, A. O. Dawson, H. R. Drummond, Sir Charles Gordon, G.B.E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General The Honourable S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., C. F. Sise, W. N. Tilley, K.C., Sir Frederick

Williams-Taylor. At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E., was elected President, Mr. H. R. Drummond and Major-General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents. The Executive Committee of the Board was appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General The Honourable S. C. Mewburn, C.M.G., and Mr. E. W. Beatty, K.C.

THE GENERAL STATEMENT

OF THE

BANK OF MONTREAL

OF OCTOBER 31st, 1933

LIABILITIES

Capital Stock			$ 36,000,000.00
Rest		$ 38,000,000.00	
Balance of Profits carried forward		1,585,451.28	
		$ 39,585,451.28	
Unclaimed Dividends		11,638.92	
Quarterly Dividend, payable 1st December, 1933		720,000.00	
			40,317,090.20
			$ 76,317,090.20
Notes of the Bank in circulation		$ 33,819,807.50	
Deposits not bearing interest		124,821,612.11	
Deposits bearing interest, including interest accrued to date of statement		509,874,487.68	
Advances under the Finance Act		9,000,000.00	
Balances due to other Banks in Canada		1,779,153.57	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		4,871,456.76	
Bills Payable		258,578.04	
			$684,425,095.66
Letters of Credit outstanding			6,151,280.54
Liabilities not included in the foregoing			1,642,442.25
			$768,535,908.65

ASSETS

Gold and Subsidiary coin current		$ 17,003,400.32	
Dominion notes		57,309,053.75	
Deposit in the Central Gold Reserves		4,000,000.00	
United States and other foreign currencies	$ 370,763.81		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	25,446,152.88		
Call and Short, not exceeding thirty day, Loans in Canada on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	7,607,169.32		
Call and Short, not exceeding thirty day, Loans elsewhere than in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	36,354,280.98		
		69,778,366.99	
Dominion and Provincial Government Securities, not exceeding market value		266,818,770.46	
Railway and other Bonds, Debentures and Stocks, not exceeding market value		11,185,055.39	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value		39,478,461.17	
Notes of other Banks		2,614,277.85	
Cheques on other Banks		24,339,598.97	
			$492,526,984.90
Current Loans and Discounts in Canada, less rebate of interest, after making full provision for all bad and doubtful debts		209,687,788.67	
Loans to Cities, Towns, Municipalities and School Districts		26,486,723.81	
Current Loans and Discounts elsewhere than in Canada, less rebate of interest, after making full provision for all bad and doubtful debts		11,807,865.22	
Non-current Loans, estimated loss provided for		3,902,884.91	
			251,885,262.61

ASSETS—*Continued*

Bank Premises, at not more than cost, less amounts written off	14,500,000.00
Real Estate other than Bank Premises	516,227.57
Mortgages on Real Estate sold by the Bank	1,216,523.20
Liabilities of Customers under Letters of Credit as per Contra	6,151,280.54
Deposit with the Minister for the purposes of the Circulation Fund	1,589,618.79
Shares of and loans to controlled companies	87,046.78
Other Assets not included in the foregoing	62,964.26
	$768,535,908.65

NOTE.—The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the names of local incorporated companies and the figures are incorporated in the above General Statement.

CHARLES B. GORDON,
President.

W. A. BOG,
JACKSON DODDS,
Joint General Managers.

To the Shareholders of the Bank of Montreal:

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that: (a) we have obtained all the information and explanations we have required; (b) in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the Books of the Bank.

CHARLES A. HODGSON, C.A.,
of the firm of Creak, Cushing & Hodgson.
W. D. GLENDINNING, C.A.,
of the firm of Campbell, Glendinning & Co.
} Auditors.

Montreal, November 23rd, 1933.

"FAIRLY GENERAL RECOVERY THROUGHOUT CANADA"

KEYNOTE OF ANNUAL ADDRESSES AND REPORTS

OF

THE ROYAL BANK OF CANADA*

The Sixty-Sixth Annual General Meeting of the Shareholders was held at the Head Office of the Bank in Montreal on Thursday, January 10th, 1935, at 11 o'clock a.m., Mr. Morris W. Wilson in the chair.

The Secretary of the Meeting, Mr. H. G. Hesler, read the Directors' Report as follows:

The Directors have pleasure in submitting to the shareholders the Sixty-Fifth Annual Report for the year ended 30th November, 1934, together with the Statement of Assets and Liabilities, and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1933	$1,383,604.18	
Profits for the year ended 30th November, 1934, after making appropriations to Contingency Reserves, out of which Reserves provision for all Bad and Doubtful Debts has been made	4,398,217.62	
		$5,781,821.80
Appropriated as follows:		
Dividend No. 186 at 8% per annum	$ 700,000.00	
Dividend No. 187 at 8% per annum	700,000.00	
Dividend No. 188 at 8% per annum	700,000.00	
Dividend No. 189 at 8% per annum	700,000.00	
	$2,800,000.00	
Contribution to Officers' Pension Fund	200,000.00	
Appropriation for Bank Premises	200,000.00	
Reserve for Dominion and Provincial Government Taxes	1,075,016.81	
Balance of Profit and Loss carried forward	1,506,804.99	
		$5,781,821.80

The assets of the Bank have been, as usual, carefully revalued and provision made for all bad or doubtful debts.

During the year one branch was opened in Canada. Twenty-eight branches were closed, twenty-five in Canada and three abroad. On November 30th there were seven hundred and seventy branches in operation, six hundred and ninety-three in Canada and seventy-seven in other countries.

The Head Office and branches of the Bank have been inspected as usual during the year.

*NOTE.—For History of the Bank see Supplement to *The Canadian Annual Review, 1910;* succeeding Reports and Addresses are given in *The Review, 1911* to *1933.*

It is with a deep sense of loss and regret that we record the deaths, during the year, of Mr. W. J. Sheppard, the Honourable William A. Black, M.P., Mr. C. B. McNaught and Mr. W. J. Blake Wilson, who had been esteemed members of our board for a number of years.

Mr. Gordon W. MacDougall, K.C., was appointed a Director on July 31, 1934.

On November 30th Sir Herbert S. Holt, who had been President of the Bank since 1908, was appointed to the newly created position of Chairman of the Board. Mr. M. W. Wilson, Vice-President and General Manager, was appointed to the position of President and Managing Director. Mr. G. H. Duggan, a Director of the Bank since 1916, was appointed a Vice-President, and Mr. S. G. Dobson succeeded Mr. Wilson as General Manager.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the Bank continue to perform their respective duties.

Address by Mr. Morris W. Wilson, President

Before dealing with the Report just read, I wish to refer to the absence from our meeting to-day of a familiar figure. I mean, of course, Sir Herbert S. Holt, who is spending the winter abroad. As President of the Bank he has presided at these Annual Meetings for twenty-six consecutive years, with only one break—in 1914. He has worked unceasingly in your interests, and has rendered distinguished service to the Bank by giving it leadership for over a quarter of a century. His outstanding ability and prestige as banker and industrialist have been important factors in the sound and consistent growth of the Bank during his regime. With the passing of the years he naturally desired to relieve himself of his more direct responsibilities, but in relinquishing the Presidency and assuming the newly created position of Chairman of the Board, he has not lessened his interest in our affairs, and you will be pleased, as I am, to know that we shall still have the benefit of his sound counsel and advice.

I should like, before leaving this subject, to welcome Mr. Dobson to this, his first Annual Meeting as General Manager. Like most of our senior officials he has spent his business lifetime in the service of the Bank, knows our operations thoroughly, and is exceptionally well equipped by ability and experience to discharge the heavier responsibilities of his new office.

The Sixty-fifth Annual Report and Balance Sheet before you to-day reflect a year's operations under distinctly improved conditions, both at home and abroad. A substantial gain in deposits is recorded; the cash and liquid ratios, already strong, have been further strengthened; and profits, while somewhat lower after allowing for increased Government taxes, fully cover dividend requirements and the customary appropriations by a comfortable margin. The General Manager will discuss the financial statements in detail.

Banking Legislation. At the last session of Parliament important legislation affecting the banks was enacted—the decennial revision of the Bank Act, which is the charter of the commercial banks of Canada, and the act incorporating the Bank

of Canada. Consideration of these measures provided an opportunity for extended public hearings, at which bankers and others were invited to present their views regarding the financial machinery of the country, and opportunity given to answer criticisms levelled at both the banking system itself and the administration thereof. I think it can be fairly said that, in the main, the bankers were able to justify their administration, even during the extraordinarily difficult period of the past five years. Further restrictions upon interest rates chargeable by banks were imposed, and the note issuing privileges of the banks were curtailed by reducing the authorized issue five per cent. annually for five years commencing January 1, 1936, and ten per cent. annually for the succeeding five years. This curtailment of earning power will inevitably reduce the ability of banks to maintain unproductive branches in smaller communities, and therefore the wisdom of the legislation in this respect is open to grave doubt. Banking profits have never been excessive, and if an efficient banking system is to be maintained, there is a point beyond which enforced economies to meet falling revenues on one hand, and increased taxation on the other, can not safely be carried. The Profit and Loss Statement before you to-day shows that last year we paid in Dominion and Provincial taxes $1,075,000. Adding municipal taxes our total tax bill in Canada was $1,886,000. This compares with $2,800,000 paid our shareholders in dividends. In other words, for every dollar paid in dividends we paid sixty-seven cents to the Canadian tax-gatherer. This does not take into account the income tax paid by our shareholders themselves on dividends received from the Bank. Surely these figures require no comment.

I have previously expressed the opinion that a properly constituted and managed central bank could be developed as a useful adjunct to our banking system. While it involved the loss to our organization of a valued official, I take this opportunity of congratulating the Government upon the wisdom of their choice in appointing a Canadian and in particular Mr. Graham F. Towers, as Governor of the newly created bank. Given the support of a competent board of Directors, his appointment ensures efficient and intelligent management. I need hardly add that we shall give the new bank our whole-hearted co-operation.

Conditions in Canada. The past year has been marked by a continuation of fairly general recovery throughout Canada. The indices of manufacturing and the physical volume of employment have approximated the levels attained in 1926. Although iron and steel production was only 40 per cent. of capacity, the volume produced was double that of 1933, and there has been marked improvement in the output of automobiles, textiles and electrical energy. Unemployment has been materially reduced. There has been a substantial increase in the volume and value of exports, notably lumber and minerals; and a steady, if somewhat slow, upward movement in general internal business.

Drought was general over most of North America, and it was particularly severe in the wheat regions of the United States and Southern Saskatchewan. While I cannot subscribe to any general theory of artificial restriction of production as a basis for the increase of wealth, yet in the present period of heavy carryovers it is a relief that as a result of this natural limitation of supply we may reasonably expect that by the end of the crop year the Canadian carryover of wheat will be reduced to more normal proportions. The size of the wheat crop in Canada was substantially the same as the previous year, but fortunately higher prices prevailed.

The Dominion Bureau of Statistics estimates the value of our field crops generally in 1934 at $536,000,000, as compared with $423,000,000 in 1933. This increased purchasing power in the hands of our farmers has had a stimulating effect upon trade throughout the country.

In several of his annual addresses, Sir Herbert Holt prophesied that a greater period of expansion could be expected in the mining industry. Throughout the depression the mining industry has made a good showing, and with the first signs of recovery abroad there has been increased demand for a number of Canadian mineral products. Production of nickel, zinc, lead and copper has shown gains of 83, 61, 27 and 23 per cent. respectively during the past year. Coal production in Nova Scotia has increased by 45 per cent., and it is expected that shipments to St. Lawrence ports will reach three million tons for the year. Canadian gold mines have continued to concentrate on low-grade ores, so that while the volume of ore milled was greater than last year the volume of gold recovered was somewhat smaller. It is anticipated, however, that with the present heavy premium the value of the output will exceed $100,000,000 as compared with $85,000,000 in 1933.

The most definite result from the Ottawa Conference has been the increase of exports of lumber to Great Britain. With the building boom which accompanied the recovery in Great Britain came unprecedented demand for lumber from Canada. A record volume of shipments from both the Atlantic and Pacific lumbering areas has been made during the past year. Lumber which had remained in the yards in the East has been cleared out, and plans for this winter indicate a substantial cut. For the first nine months of 1934 British Columbia mills reported an increase of 30 per cent. in the output of logs and of 44 per cent. in the volume of exports.

Tourist Trade. The expeditious and efficient work of the Committee of the Senate last session, headed by Senator Dennis, in studying the question of tourist expenditures in Canada, is to be commended. The importance of this trade in our national economy is often overlooked. At the peak it amounted to over $300,000,000 a year, and for several years it brought more money into Canada than our wheat exports. Reasonable expenditures by the Dominion

Government in fostering and promoting this industry will unquestionably receive support from all sections of the country.

Newsprint. Demand from the United States for newsprint has been strong, with the result that the output of the Canadian mills in 1934 was more than twenty-five per cent. higher than in the previous year. In fact, it was within five per cent. of the peak year of 1929. Prices, however, were even lower than in 1933 and, despite the most rigid economies, operations have continued on an unprofitable basis. Public opinion, and in some instances government intervention, has led to upward revision of the abnormally low wages paid to the woodsmen, but as yet there has been no corresponding gain in the price received for the product. The stability of this, our most important manufacturing industry, depends upon a reasonable advance in price, an advance which might well be brought about as the result of friendly co-operation between producer and consumer. Failing this, I fear we are faced with the possibility of government intervention and price regulation. This is a question which concerns the state, in view of its ownership of timber limits, and the state should not and will not continue to allow its natural resources to be dissipated in this wasteful manner. It is to the interest of both producer and consumer that a solution be found, and personally I hope that such state intervention may be avoided.

The Railway Situation. The railway situation continues to be the most important economic problem in Canada. The policy of enforced co-operation, to which we are committed at the present time, does not appear to be producing results approaching in any degree those which were predicted. Obviously, the Canadian people cannot stand indefinitely a weekly drain of over $1,000,000 for railway deficits, and the time is rapidly approaching when more drastic and effective action will have to be taken if we are to maintain national credit and solvency.

World Affairs. The past year has been one of unrest and uncertainty in international affairs. In spite of tense political situations and threats of war, business has continued to improve. It is a notable fact that physical volume of production in Great Britain, Denmark, Norway, Sweden, Japan, Greece and Chile was greater than in 1928. In general, it may be stated that it is only in the countries of the gold bloc where business has become materially worse during the year. World trade, however, must be released from the multitude of new restrictions which were among the worst products of the depression, if it is to regain healthy vigor. Excessive economic nationalism has proved a dangerous boomerang, striking down home industries as well as those of foreign countries. I believe that the pendulum of opinion has begun to swing toward better economic relationships between countries, and I look upon this new attitude as a happy augury of further favourable developments during the coming year.

Conditions in the United States. Trade in the United States has improved during recent months, but the outlook is still obscure. The magnitude and difficulty of the problems with which the government of that country has had to contend were unprecedented, the organized efforts which have been made to solve those difficulties are extraordinary. As yet it is far too early to express final judgment upon the results likely to be achieved. As a first impression, however, it seems to me that most business leaders in that country must be bewildered by the multiplicity of government agencies regulating, interfering with and, in some instances, supplanting private initiative. In the long run, it is improbable that some of these vast social experiments will not produce concrete improvements in the social order, and that such improvements can then be adopted safely by other countries. It should not be forgotten, however, that the costs of the unsuccessful social experiments will be heavy. An extraordinarily easy credit situation has been built up and money is a drug on the market, but it is not yet flowing in normal business channels. To some extent, at least, the most recent trend in the United States has been toward the encouragement of a revival of individual initiative and private enterprise. A continuation of this trend should be a basis for optimism. There are estimates to the effect that through the instrumentality of the corporation, the investor in the United States was accustomed to spend forty or fifty billion dollars a year on capital and other durable goods. No government will be able to spend proportionately. Without the buying power resulting from such individual investments I cannot see how the ten million unemployed in that country are likely to find work which will yield them their former high standard of living.

The Capitalistic System. On the whole, it is not surprising that new social experiments should have been undertaken in many countries in the hope of mitigating the suffering incidental to violent booms and depressions. Since the war, these fluctuations have become excessive. We are, however, far too prone to forget that it was the war which was the chief factor in creating this disequilibrium from which we are now suffering. The signing of the peace treaties did not do away with the havoc wrought by the war. Present-day extremes of economic nationalism and the heavy burden of great national debts are costly legacies from which it is difficult to escape. Undoubtedly, the war placed a great strain upon the capitalistic system.

The capitalistic system has been the result of a process of evolution and as such has been subject to modifications from time to time to meet changing conditions. I would be the last to suggest that further modifications may not be required and changes may be a necessity if we are to be rid of the evils of major depressions. In general, the difficulties which were confronted in the distant past were the outcome of shortages. Supplies of food were not sufficient to

meet the requirements of expanding population. At the present moment the major difficulties have to do with the distribution of an increasing surplus which tends to exceed purchasing power. When people in other countries cut down their consumption of wheat, Canadian farmers must, perforce, do with less rubber and coffee. Increasing attention must be given to measures which will provide for a freer and more even flow in the exchange of goods and services. Insofar as the "New Deal" in the United States, or economic experiments in other parts of the world, may provide a workable answer to this problem, we should not hesitate to profit by that solution. Social and economic experiments which fail, however, are usually costly and it is prudent and wise to "make haste slowly" in changing fundamental principles of the existing system.

The Outlook. For more than a year and one-half there has been a distinct upward trend in business activity; improvement has been general in practically all branches of agriculture, industry, mining and trade. At the beginning of the new year conditions, both at home and abroad, favor a continuation of this upward trend. It is true that in Canada there remain a number of difficult problems for which practical solutions are necessary, but I believe that the Canadian people have the courage and ability to solve such problems in a rational manner. It is upon the basis of past performance that I look forward to 1935 with renewed confidence.

Address of the General Manager, Mr. S. G. Dobson

I should like to thank Mr. Wilson for his kindly reference to me. To maintain the high traditions of my predecessors is a responsibility of which I am fully conscious, but I am encouraged by the knowledge that Mr. Wilson will be on duty in the Bank as heretofore, and will be as active in the interests of the Bank as President, as he was while General Manager.

My first appearance before you in the capacity of General Manager has been made particularly pleasant by the very satisfactory nature of the 65th Annual Report and Balance Sheet presented to-day.

The President has dealt with important matters of current interest and I shall confine my remarks to the Financial Statement.

After several years of declining figures, due to general conditions, I am glad to say the trend has not only been arrested, but under most headings has been reversed, in some instances to a substantial degree.

Total Assets are now $758,423,904, more than $29,000,000 higher than they were a year ago.

The liquid position has been further improved and quick assets stand at $382,172,287. This is 56.16 per cent. of total liabilities to the public.

Cash on Hand and Balances Due by Banks total $165,683,031, and Dominion and Provincial bonds $126,495,516. The increase under these two headings is $27,628,718.

Call loans in Canada are lower by $5,340,628, and those elsewhere by $3,074,508.

Gain in Total Deposits. Perhaps the most gratifying feature of the Balance Sheet is the increase of over $50,000,000 in total deposits by the public. The total is now $612,579,453. Canadian branches contributed $41,000,000 of this total increase, of which $11,000,000 is in the Savings category. It is interesting to note that an increase in deposits was shown by every province in the Dominion.

Further evidence of greater business activity is to be found in an increase of $4,000,000 in our note circulation, and larger totals under the headings of "Cheques on Other Banks" and "Notes of Other Canadian Banks" on hand.

Current loans in Canada show an increase for the first time since 1929, and are up over $10,000,000. This is a significant change, reflecting, as do other items in the Balance Sheet, a heartening increase in Canadian business activity. It is perhaps unnecessary for me to point out that all banks in Canada, because of their easy cash position, are looking for desirable loaning business, and the comparatively small increase under this heading reflects a lack of demand for loans, rather than a restriction of credit.

Current loans outside of Canada remain practically unchanged.

Advances under the Finance Act stand at $9,000,000, which amount represents this Bank's portion of a special transaction entered into by all the banks at the request of the Government two years ago.

Bank Premises are again lower by almost the amount of the $200,000 appropriation. In addition, as usual, our Realty Corporations have paid off $500,000 of their outstanding bonds, and as this amortisation is treated as an operating expense, the total write-off on Premises Account is again $700,000. We continue to carry the capital stock of these two companies on the books of the Bank at $2. No new construction of consequence was undertaken during the year. We are well housed at all the important points and we see no likelihood of other than very moderate expenditures being necessary for some time to come.

Profits. Profits for the year were $4,398,217 but are not properly comparable with published profits for the previous year because heretofore they were reported after deducting Provincial taxes but before Federal taxes. For the sake of uniformity, and the fuller information of shareholders, both classes of taxes are now disclosed in the published report. Making allowance for the resulting increase under this heading, profits are lower by $268,448.

Added to $1,383,604 brought forward, there was $5,781,821 available for distribution. Dividends absorbed $2,800,000. $200,000 was contributed to Officers' Pension Fund; $200,000 written off Bank Premises, and $1,075,016 allocated for taxes, leaving $1,506,804 to be carried forward in Profit and Loss Account.

Unprofitable Branches. During the year we have continued the policy of eliminating unprofitable branches, and this course will, I believe, meet with your full approval. Acting in conjunction with other banks, we have been able to reduce to some extent the number of over-banked situations in communities where two or more banks were located. We have closed branches only after experience had demonstrated that available business did not justify their being longer maintained, and after every precaution had been taken to ensure the continuance of adequate banking facilities for the community. We have also withdrawn some branches at non-competitive points where, after years of effort, it was found that the volume of business available was not sufficient to cover operating expenses.

With a view to further curtailing expenses, careful study has been given to ways and means of effecting economies in operating, consistent with the maintenance of a high standard of service by our branches. The results achieved have been gratifying.

In keeping with the downward trend in interest rates and the resulting difficulty in employing funds profitably, the banks and most other institutions accepting deposits reduced their rates on interest-bearing accounts ½ of 1 per cent. from November 1, 1934. This has had a beneficial effect upon bond prices, and has helped to reduce the cost of Dominion and Provincial financing. In the case of the chartered banks, the rate of interest now being paid on Savings Accounts is 2 per cent.

Branches Outside Canada. I should like to make special reference to the very satisfactory results achieved by our branches outside of Canada. Aside from New York and London, where it has been difficult to employ surplus funds because of the abnormally low interest rates prevailing, our branches as a whole have not only increased their deposits, but improved their profits to a gratifying degree. In addition to contributing their full share to the satisfactory outcome of the Bank's year, the branches outside of Canada have also given valuable assistance to exporters in the development of their trade in the countries where we are represented.

Shareholders will receive through the mail, with the report of proceedings at this meeting, a detailed report on conditions in the various countries in which the Bank operates.

On the whole, 1934 may be regarded as a year of substantial recovery for Canada. While we still have many problems to solve, some of which have been referred to by Mr. Wilson, we have, I believe, every justification for looking forward with confidence to a further improvement in conditions during 1935.

The Directors' Report was then unanimously adopted and the Directors for the ensuing year were elected as follows:

SIR HERBERT S. HOLT, K.B., Chairman of the Board

MORRIS W. WILSON, President and Managing Director

HON. A. J. BROWN, K.C., and G. H. DUGGAN, Vice-Presidents

C. S. WILCOX	G. MacGREGOR MITCHELL	PAUL F. SISE
A. E. DYMENT	R. T. RILEY	JAMES McG. STEWART, K.C.
JOHN T. ROSS	STEPHEN HAAS	J. S. NORRIS
W. H. McWILLIAMS	W. H. MALKIN	GORDON W. MacDOUGALL, K.C.
CAPT. WM. ROBINSON	JULIAN C. SMITH	ARTHUR B. WOOD
A. McTAVISH CAMPBELL	G. HARRISON SMITH	HOWARD P. ROBINSON
ROBERT ADAIR	W. F. ANGUS	

GENERAL STATEMENT

OF

THE ROYAL BANK OF CANADA

30th NOVEMBER, 1934

LIABILITIES

Capital Stock Paid up		$ 35,000,000.00
Reserve Fund	$ 20,000,000.00	
Balance of Profits carried forward	1,506,804.99	
	$ 21,506,804.99	
Dividends Unclaimed	12,190.39	
Dividend No. 189 (at 8% per annum), payable 1st December, 1934	700,000.00	
		$ 22,218,995.38
		$ 57,218,995.38
Deposits by and balances due to Dominion Government	$ 3,659,841.78	
Deposits by and balances due to Provincial Governments	11,072,429.62	
Deposits by the public not bearing interest	124,452,970.76	
Deposits by the public bearing interest, including interest accrued to date of Statement	488,126,483.20	
Deposits by and balances due to other Banks in Canada	1,286,381.70	
Deposits by and balances due to Banks and Banking Correspondents elsewhere than in Canada	8,881,103.56	
		$637,479,210.62
Notes of the Bank in circulation		33,221,806.74
Advances under the Finance Act		9,000,000.00
Bills Payable		294,606.98
Liabilities to the public not included under the foregoing heads		445,527.02
Letters of Credit Outstanding		20,763,758.14
		$758,423,904.88

ASSETS

Gold and Coin on hand	$ 11,753,028.82	
Dominion Notes on hand	63,174,883.29	
Deposit in the Central Gold Reserves	3,000,000.00	
United States and other Foreign Currencies	17,849,226.38	
		$ 95,777,138.49
Notes of other Canadian Banks	$ 1,871,356.17	
Cheques on other Banks	21,994,944.16	
Balances due by other Banks in Canada	2,189.59	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	46,037,403.36	
		$ 69,905,893.28
Dominion and Provincial Government Securities, direct and guaranteed (maturing within two years), not exceeding market value		69,832,406.07
Other Dominion and Provincial Government Securities, direct and guaranteed, not exceeding market value		56,663,110.24
Canadian Municipal Securities, not exceeding market value		6,724,973.12
Public Securities other than Canadian, not exceeding market value		17,487,895.87
Other Bonds, Debentures and Stocks, not exceeding market value		12,443,170.98
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		23,430,645.46
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		29,907,053.66
		$382,172,287.17

ASSETS—*Continued*

Current Loans and Discounts in Canada (less rebate of interest), estimated loss provided for	$226,942,028.26	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest), estimated loss provided for	95,616,158.61	
Non-Current Loans, estimated loss provided for	4,224,347.86	
		$326,782,534.73
Bank Premises, at not more than cost, less amounts written off		16,833,330.67
Real Estate other than Bank Premises		2,681,571.01
Mortgages on Real Estate sold by the Bank		821,332.72
Liabilities of Customers under Letters of Credit as per contra		20,763,758.14
Shares of and Loans to Controlled Companies		6,313,081.60
Deposit with the Minister of Finance for the security of Note Circulation		1,600,000.00
Other Assets not included under the foregoing heads		456,008.84
		$758,423,904.88

NOTE.—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

AUDITORS' REPORT

To the Shareholders, The Royal Bank of Canada:

We have examined the above Statement of Liabilities and Assets at 30th November, 1934, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1934, and it is as shown by the books of the Bank.

JAS. G. ROSS, C.A.,
of P. S. Ross & Sons.
W. GARTH THOMSON, C.A.,
of Peat, Marwick, Mitchell & Company.
} Auditors.

Montreal, Canada,
24th December, 1934.

CANADA IN VANGUARD OF REVIVAL

ANNUAL ADDRESSES

OF

THE CANADIAN BANK OF COMMERCE

FOR THE YEAR ENDED NOVEMBER 30TH, 1934

Address of the President, Sir John Aird

There is a brighter economic condition in the world to-day than existed twelve months ago. During the past year grave international and political complications have arisen from time to time, while hasty and faulty monetary experiments were still attempted in the name of reform, but the progress in the field of business during 1934 as a whole was even more impressive than seemed possible when, addressing you two years ago, I first drew attention to constructive elements in the business situation.

Durable improvement, however, must remain uncertain as long as world trade is fettered by almost every conceivable form of restriction, and continues to be denied one essential for its advancement, an international gold standard, leaving it therefore to struggle against exchange instability and the persistent menace of further monetary manipulation. But with private enterprise continually gaining over the forces of depression, signs of informal stabilization of currencies and admission on all sides that the limits of nationalistic action to restore prosperity have practically been reached, there is the firm hope that business has at last entered upon a period of progressive improvement.

It is significant and instructive that the most marked general economic revival of the last two years has been enjoyed by those nations which have suffered least from State intervention. Among the most fortunate countries—indeed, one that is now in the vanguard of the march toward prosperity—is Canada. If you will compare this country's record as presented by the General Manager with that of other countries, which I shall briefly describe, you will appreciate the validity of this statement. Before proceeding, however, to a discussion of conditions abroad I should like to stress the importance of one Canadian industry, gold mining.

Canada's Gold Mining Industry. The Bank has for many years followed with interest and has been closely identified with the development of gold mining. As early as 1863 the Bank of British Columbia, whose establishment was due partly to the discovery of the first major gold area in Canada, opened in the Cariboo district.

The merger of that institution with The Canadian Bank of Commerce in 1901 followed the latter's entry in 1898 into the Yukon and preceded by but a few years the opening of our first branch in the Northern Ontario mining field. As we have followed the prospector and furnished banking service further afield, our faith in the gold mining industry has strengthened and now Canada has reached an objective I predicted for her some years ago, namely, a gold production value of 100 million dollars per annum. Yet we know that, though traced from the Atlantic to the Pacific, gold deposits in this country have been developed only to a comparatively small degree. Unfortunately, there have been losses through speculation by uninformed people, as well as through "wild-cat" operations of unscrupulous promoters, but we believe that much sound development in the hands of capable, honest men is under way and that, if the public can be protected by proper government supervision, our gold mining industry is assured of still further expansion until it becomes of even greater importance than at present.

Conditions Abroad. The outstanding features in Great Britain during the past year were a rise in industrial production to a point almost equal to the highest recorded in the last decade, a further easing of money rates, a comfortable budgetary position of the Government and a relaxation of the restrictions on capital flotations, which led to some increase in new industrial security issues. There was a moderate expansion in export trade, extending to all the major geographical divisions but being most pronounced in the overseas Empire area, despite the fact that the progress in some of the countries comprising this field was not, because of special, and apparently temporary, influences, as great as in 1933.

Variable conditions are to be noted in Continental Europe. Northern Europe as a whole has shown continued improvement, that in Scandinavia being quite as great as in any other part of the world. On the other hand, Eastern and Western Europe have been subjected to new strains, agricultural, financial and political, although any view of the disappointing records of the "gold bloc" countries should be qualified by the fact that the worst of the depression did not strike them. Central Europe has gained some ground, but it is noticeable that the progress of Austria has been along sounder lines than in Germany; the latter undoubtedly shows a more spectacular advance, but if the test of ability to import essential materials and to meet foreign obligations is applied Austria stands in the better light.

The latest advices regarding Latin America are mainly favourable. In the Orient, China's economic programme has been endangered by the sharp rise in the price of silver; the progressive movement of Japanese industry was hindered late in the year by external trade restrictions and by typhoon damage to manufacturing plants and agricultural districts.

The United States entered its second effort of reconstruction. The original plan of a "compensated economy," having fallen far short of expectations, has undergone considerable alteration, although not all of the changes have been of conventional type nor were all designed for the purpose of lightening State control over business. Whether solely because of these changes, or whether because of a combination of them and the operation of natural forces, the autumn revival in business appears to be the most healthy movement of recent years. It seems that this condition will continue during the next few months, subject of course to seasonal influences, but while the whole world waits for some definite policy to be formulated in that country, no certain long-range view can be taken of the future process of economic reconstruction in the United States.

Bank of Canada. The legislation for the establishment of the Bank of Canada, although providing wider powers in some respects than seem necessary, was wisely framed to avoid as far as possible governmental interference for purely political purposes, as distinguished from the requisite and proper relationship which must subsist between a government and a central bank. Moreover, an earnest effort was made to provide capable management. The Governor and Deputy Governor by character, technical training and practical experience in banking, possess eminent qualifications for their high and responsible positions. Our Bank, in common with the other commercial banks in Canada, will cordially co-operate with the Bank of Canada in maintaining the high standard of Canadian banking in its vitally important function of serving the credit needs of Canadian industry and commerce. There are of course dangers to be avoided in the administration of a central bank. The remarkable growth in the number of these institutions since the war has been partly due to the financial exigencies of the governments of those countries struggling with the burden of debts contracted during the war and the post-war period of reckless public extravagance, and to seeking the means of meeting budget deficits by open or concealed inflation rather than by the politically more difficult method of increased taxation and rigid economy in public expenditures. Central banks have in some cases been the instruments through which this inflation has been effected. They have also been the agencies through which the exchange restrictions, which are so great an impediment to the restoration of international trade, have been put into effect. The Bank of Canada opens, then, at a time when there is an almost world-wide tendency on the part of governments to use such an institution as a medium of currency inflation to meet recurring budget deficits. The public of Canada will look with confidence to the chief executive officers of the new Bank to protect its administration from all attempted political interference on the part of governments which would weaken either our currency or our public credit; and to avoid hazardous commitments with foreign institutions or dangerous participation in extensive exchange stabilization opera-

tions which might result in a most serious impairment of the Bank's resources.

The Finance Act. As the legislation creating the Bank of Canada as a reserve institution of issue and rediscount supersedes the Finance Act, I cannot refrain from paying my tribute to the high efficiency with which the latter, an admirably conceived enactment, has enabled the banking system of Canada to serve the credit needs of agriculture, industry and finance during the trying period of the war, the almost equally trying post-war period of reconstruction, the crises in the United States during 1929 and the years of depression which followed. By providing ample facilities to the chartered banks for temporary borrowings against high-class securities, it not only ensured an abundance of credit to meet the banking needs of the Canadian people, but by the very fact of its instant availability for this purpose created a confidence that has had much to do with the financial stability of the Dominion during these critical periods. Had the United States possessed in 1933 the Reserve Bank facilities for borrowing upon and re-discount of securities which the Canadian banking system enjoyed under the Finance Act there would, I think, have been no general collapse of its banking system such as then occurred. Yet the borrowings of Canadian banks under the provisions of the Finance Act have never been excessive having regard to the whole volume of their loans to the Canadian public. The service of this Act cost the Treasury Department practically nothing in the way of additional expense of administration, while on the other hand the amount of interest paid by Canadian banks upon borrowings under the Finance Act since its inception has reached a total of more than twenty-five million dollars of clear profit to the Dominion Treasury.

Currency Inflation. There are those who, without lengthy experience in monetary affairs, strongly advocate the unrestricted issue of inconvertible paper currency as distinguished from money created by trade. Their argument is based on the principle that money is the sole or major generating force in economy and that the imperfections of the present monetary system are the fundamental causes of depression. This is a most mistaken view, as is apparent from the disappointing and, in some cases, disastrous results of the vast monetary experiments in many countries during the past few years.

Government-created credit is less effective than commercially-created money. For example, it is generally agreed that business activity has increased more regularly and to higher levels in Great Britain and Canada than in the United States. It is also common knowledge that the two former countries have largely preserved the commercial money system, with credit based on the principles of worth, liquidity and productive use, while in the United States money has not only already been "nationalized" in an important sense

through political control of part of the banking system, but the Federal Government has been endowed with facilities providing for the issue of nearly 20 billion dollars, a good deal of which has been used, either in direct government expenditures or indirectly through various credit agencies established by the Administration. Those who argue that inconvertible paper currency issues can be "managed" by governments fail to perceive that unless there is public confidence in the stability of the currency of a country, private enterprise will not embark on business undertakings and especially in those requiring long-term financing. The result is stagnation in both trade and industry with attendant unemployment on an ever-increasing scale. To cope with this condition governments are forced to make huge relief expenditures and then face budgetary deficits which they meet with additional issues of currency, thus still further impairing confidence. Uncertainty as to values of currencies is one of the main factors retarding world recovery to-day.

It can be argued that commercially-created money is not always productively employed. Frankly, I think more caution should have been exercised by those who capitalized new undertakings during the boom period, but I believe also that much of the resulting loss was due to forces beyond the control of capitalists, the weaving of an immense network of trade restrictions, for example. Should we not consider that important fact, and then ask the question of whether the motives of those who are held responsible for the loss of other people's money were deliberately dishonest or were actuated by constructive ideas in an era of general super-optimism?

Unemployment Relief. In the light of the severe criticism which has been directed toward some financial practices and certain consequent employment conditions, it may seem surprising for me to state that business ethics and labour conditions have improved with the passage of time. But it is my firm conviction after bringing into review the events of more than half a century that the majority of business men and employers have a higher standard of conduct than when I first entered the field. It is quite obvious, also, that employers, industrial, financial and agricultural, have borne the major part of the cost of immediate additional taxation necessitated by a total expenditure of nearly 400 million dollars incurred by all our governmental bodies for public relief since 1930. Employers have also been one source of the incalculable, but large, sums collected by private charitable organizations. Undoubtedly, their contributions as a whole for public relief have reduced the amount available for employed workers. With a continued heavy expenditure facing these employers in the form of mounting taxation to meet the interest on past and future government borrowings for public relief, it is essential that all waste in carrying out this worthy welfare effort be eliminated as speedily as possible in the interest of both employers and employees.

The unemployment problem is now, however, closely bound up with that of world trade. The failure of world unemployment figures to decline proportionately to the increase in world industrial production since early in 1933 is due in great measure to the smallness of the improvement to date in the physical volume of world trade, one reason among others being that large numbers who would be normally employed in the transportation, distributing and allied trades are still idle. The changing attitude in respect of the exchange of goods and services on an international scale and the consequent retreat, slight though it be, of economic nationalism, is therefore a welcome development for which bankers have pressed for years. If, however, this desire to unshackle trade, and thereby to widen the avenue of employment, is to be implemented, some positive measures should be taken, such as a general reduction in tariffs, as I suggested in 1933, accompanied by exchange stabilization (at least of a definite character) and by the resumption of sound foreign lending. The depression record of foreign loans is better than is generally known and is, in fact, so favourable as to command respect and to justify renewed confidence in them. Consider the facts in regard to the foreign bonds amounting to over 9 billion dollars which were sold in the United States between 1920 and 1930, which admittedly fostered and expanded American export trade. Over 30 per cent. of these securities have been redeemed, while interest is being paid in full on about two-thirds of the balance.

International Debts. Any discussion of world trade inevitably recalls the question of war debts, as well as that of the international debts of purely commercial type amounting to 40 billion dollars, which now take at least 30 per cent. of world exports to service, instead of about 10 per cent. as in 1929 when trade was comparatively free. Forgotten, it has seemed, was a message of the late President Woodrow Wilson in 1921 "that if the United States wishes to have Europe settle her debts, governmental and commercial, we must be prepared to buy from her." But within recent weeks there has been an equally statesmanlike expression by the present American Secretary of State which clearly points the true course for the United States and other large creditor and trading countries. This statement of Hon. Mr. Cordell Hull is so important that it should be of permanent record: "In entering," he said, "upon the negotiation of trade agreements, authorized by the Act of June 12 of this year, we are willing frankly to admit that we have erred in the past, that we have now repented and wish to do works meet for repentance. Just as we set the vicious example of erecting the trade barriers of high tariffs which induced others to follow us, so now we are asking other nations to join us in an attempt to undo the damage our collective action has worked. We wish to break down all the artificial and excessive impediments put in the way of world commerce, not only in our own interest but for the benefit of all others as well, since only by restoring the whole world can individual

countries hope, in this day of rapid communication and interdependence, to remain economically healthy long. . . A hermit nation means a hermit civilization."

The Wheat Problem. During the past year Providence took a hand in the wheat problem. A severe drought of almost world-wide dimensions cut the world supply of this cereal to the smallest volume since 1928, and though it is larger than estimated last summer, it appears, after allowing for another record-breaking carry-over on 1st August, to be about 250 million bushels less than a year ago. But it should be plainly recognized that while the sources of exportable wheat have narrowed and the marketing opportunites have improved, this supply is still excessive in relation to the present annual rate of consumption and therefore that, at least for the present, a buyers' market remains where any real power of price dictation rests.

In this connection there is a lesson in the American cotton situation which I earnestly hope this country will not have to learn from bitter experience with wheat. As is probably well known, the United States has since the Civil War furnished the world with the greater part of its raw cotton requirements; indeed, the fact that the world consumption of this American product was more than that of all growths elsewhere combined may have created the impression that the importing countries could be made to pay any set price. But when the whole series of "stabilizing" transactions of the Federal Farm Board was completed in 1931 it was found that consumption of American cotton, in a period of practically stable world demand, had fallen by over four million bales, while that of other growths had increased. In the following two seasons in which there were no attempts to fix prices or control sales a large part of the lost ground was regained, *but only by selling below the world price level.* The net immediate effects were to lower considerably the living standards of the cotton-growing States. The ultimate effects of the past and present cotton policies are yet to be seen, but there are the uncomfortable facts for the United States to face that the non-American cotton area was enlarged by four million acres in 1933 alone, that further expansion is not only possible but probable and that this development is being encouraged by some important cotton-milling countries. It might be added that no wheat-exporting country has a monopolistic hold on the world market such as the United States once enjoyed in respect of cotton, and that wheat production is possible in many more lands than is cotton.

For some years I have been doubtful of the success of grain-growing in certain Western prairie areas. With the passage of time we have witnessed a gradual weakening of the fertility of the soil owing to a heavy drain of plant elements, to wide-spread drifting, to constant summer-fallowing which has pulverized the top-soil and to the cropping of land that should have been left in its virgin state,

until now an investigation seems advisable to determine the most effective and economical methods of rehabilitation. I suggest also that meteorological research be instituted to ascertain if the lack of adequate moisture of recent years has been due to any changes at the distant points which are the major sources of precipitation for our Western grain belt.

Public Finance. There is a fair improvement to record in certain branches of Canadian public finance. The Dominion Government should, with a continuance of the expanding revenues of the past eighteen months, achieve budgetary balance of its ordinary account for the current fiscal year ending 31st March. The Provincial Governments, as well as numerous municipalities where the Bank is represented, have also been able to increase their revenues, while their ordinary expenditures, though still excessive, have been kept at a stable level. But there is a less satisfactory position in respect of what we might call the emergency budgets of our governments, Dominion, Provincial and municipal. In this field of expenditures for public relief, public works and railway deficits and subsidies there is still recourse to large-scale borrowing. During the past twelve months over 200 million dollars of new money has had to be found, of which about 50 millions was new currency issued by the Dominion Government. When the public finally casts up the total new debt laid upon it in recent years it may realize that while it willingly permitted its future to be more heavily mortgaged for public relief, this burden should have been more markedly offset by a reduction in the cost of ordinary government services and in the expenditures on publicly owned enterprises. I still hold the opinion that additional revenue should be raised by a turnover sales tax, and that administrative economy could be effected by legislative union of certain of our Provinces.

Canada has proved itself to be a sturdy country. Vulnerable early in 1929 to the disintegrating forces in world economy, caught in the full tide of a depression of unparalleled scope and intensity and weakened by the oppressive influence of the most serious droughts known in the West, it has nevertheless resumed a progressive advance. The record of Canada during the past two years is not only the subject of most favourable comment by the rest of the world, but one of the most inspiring in her history. But I do not need to remind you that the clouds of international animosities and rivalries still overshadow the ground that the business world has regained, nor that we have serious domestic problems with which to contend in our efforts to re-establish a well-balanced national economy. There is, however, further improvement ahead of Canada if we avoid artificial stimulants such as excessive instalment credit, reckless government expenditures and above all, the disastrous expedient of currency inflation.

Address of the General Manager, Mr. S. H. Logan

The year just closed has been relatively quiet from the standpoint of banking. As shown by the Profit and Loss statement, net profits were slightly less than a year ago, but our total assets increased moderately. These changes in the Bank's business emphasize that the great need of all banks is for increased trade activity leading to a larger volume of commercial loans, from which banking income is chiefly derived. In the present era of low money rates 5½ per cent. and 5 per cent. bonds, which have formed an important part of bank investments, are being replaced as they mature by securities bearing 3½ per cent. and 3 per cent. interest, and with short-term bonds yielding even less. While it is highly advantageous to governments to borrow or refund maturing loans at these lower interest rates, it is manifest that the incomes of institutions and other investors must be adversely affected. Drastic cuts have been made by all banks in their overhead expense, and further economies effected by exchanging branches with one another in various places, but always with the view of continuing to give the public ample banking service. There is no question, however, that branch banking in Canada, owing to the keen competition among the chartered banks, was overdone.

The Bank's Statement. We have maintained a strong cash position with holdings of $56,000,000 in gold, coin and Dominion and other currencies. Our quick assets, including cash and cash items of $92,000,000, amount in all to $315,000,000, and represent 60 per cent. of our total liabilities to the public. You will observe a few new headings in the Balance Sheet, arising from the recent revision of the Bank Act. I wish specially to call your attention to that of Dominion and Provincial Government securities maturing within two years. These investments are about to become an even more liquid asset than their early maturity ensures, for the Central Bank, when it begins to function some time early this year, is authorized to purchase Dominion and Provincial Government bonds maturing within a two-year period, in any amount which it sees fit.

The Bank's New Loans. I do not think that our shareholders or the general public appreciate the rapidity with which loans are made and repaid in the normal functioning of commercial banking. I believe, for example, that it will both surprise and interest you to learn that, entirely excluding the renewal of existing advances, our branches in Canada during the past year made 167,000 new loans aggregating $518,000,000 and, in addition, discounted for their customers some 350,000 trade bills amounting to $138,000,000.

Notwithstanding this immense sum in new advances, the aggregate of our loans and discounts in this country shows a decrease of $5,000,000 from that of last year. This shrinkage merely illustrates the fact that in the early stages of business recovery the more rapid

circulation of funds which is due to reviving confidence enables those whose loans have been relatively dormant during the depression to liquidate them, and so, by the improvement of their credit standing, place themselves in a position to handle a larger volume of production or trade as the recovery gains impetus. As has been pointed out in the past, business volume at the inception of the depression shows a marked shrinkage for some months before any recession in the aggregate of bank loans commences. Similarly, business revival is usually under way for perhaps a year or more before it is reflected by increases in that aggregate. No special comment is required as to the other items embraced in our assets.

On the liability side of the Statement, total deposits are $478,000,000, as compared with $471,000,000 last year. While deposits by banking correspondents, which are of a special nature and subject to wide fluctuation, are lower, deposits by the public and governments increased by $23,000,000, notwithstanding that during the year we paid off our depositors at Mexico City and Rio de Janeiro, where our branches were closed. Borrowings under the Finance Act show a reduction of $8,000,000. Letters of Credit at $12,000,000 and shareholders' funds at $51,000,000 remain practically unchanged.

Banking Service. The decennial revision of the Bank Act by Parliament occurred in 1934. The Committee on Banking and Commerce which dealt with this legislation instituted a thorough inquiry into all phases of Canadian banking. While changes made in the Bank Act were not numerous, some were of outstanding importance, one being the graduated reduction of our note circulation privilege, and another the requirement of a minimum cash reserve of 5 per cent. covering bank deposits in Canada. The establishment of the Bank of Canada as the Reserve Bank of the Dominion introduces a new factor into the banking situation in this country and all bankers are studying what steps must be taken to adapt themselves to the altered conditions.

While criticism of the banks in recent years has not been lacking, few of our people reflect upon the ample banking services available to them at moderate cost throughout the entire Dominion. The depositor has near at hand a safe place for his money. The investor has access to a safety deposit box or may lodge his securities for safekeeping. The exporter or importer has at his command the facilities for financing the movement of merchandise, or the transfer of funds, to or from any part of the world. The borrower finds a branch bank nearby where he may secure credit for the legitimate needs of his business. When a line of credit is established, whether it be $1,000 or $100,000, that credit is available without any charge whatsoever in respect of that portion which is not used, although the bank must be prepared to make the advance at once if it is required. When borrowers are called upon periodically to give an accurate statement of their affairs, the banks seek this information in order to know

whether their borrower is in a sound financial condition. If weaknesses are disclosed, it should prove as advantageous to the customer as to the bank to have knowledge of them so that early steps can be taken to improve his position. Banks are always looking for more borrowing customers, but they wish their loans to be on a sound basis in the interests of both the customer and the bank.

Return on Shareholders' Investments. Pressure continues on the banks to accord lower rates of interest to their borrowing customers. As bearing on this question, the following table, which appeared in our October Monthly Commercial Letter, shows the effect upon the return to bank shareholders from their investment if discount rates were lowered either by one-half of one per cent. or by one per cent.

		Total of Shareholders' Investment in all Banks
Average total loans of all banks in Canada (at the end of December, each year) 1923-1932	$1,296,540,444	$268,000,000
		Yield to Shareholders
Average annual net profit available for dividends, 1923-1932	17,064,957	6.3 per cent.
If interest rates on all loans were reduced by ½ of 1 per cent., net profits would be reduced by	6,482,702	
to	$10,582,255	3.9 per cent.
If interest rates on all loans were reduced by 1 per cent., net profits would be reduced by	12,965,404	
to	$4,099,553	1.5 per cent.

It is evident from these figures that a reduction in the loan rate of 1 per cent. would lower the profits of the banks' shareholders to only 1½ per cent. on their investment, which would mean, of course, that new capital could not be found to carry on any increased banking business. When borrowing rates in this country are compared with those in the United States it should be stated that borrowers there must keep free current account balances varying from 10 to 20 per cent. of the amount of the loans, and that two-thirds of the total deposits of the member banks of the Federal Reserve system, who account for most deposits, are non-interest bearing. In Canada, with 2 per cent. paid on deposits and other overhead costs of over 2 per cent., our present lending rates afford but a very small margin of profit to our shareholders, in consequence of which it should be obvious that interest rate concessions to borrowers can be made only at the expense of depositors who, representing hard-working and thrifty people, ought to have a reasonable interest return on their savings.

Revival of Canadian Business. There is evidence on all sides that trade and industry are more active than twelve months ago, and that the sentiment of the public is much improved. While there were some marked seasonal recessions in certain Canadian industries during 1934, others enjoyed practically uninterrupted progress and a long-awaited revival, slight though it was, occurred in those plants

devoted to the production of industrial and agricultural equipment. Moreover, construction (building and engineering) at last showed signs of recovery, projects of this character increasing about 30 per cent. over 1933. The continued generally depressed condition of this important industry, usually the last to turn upward in a period of general revival, is, however, one illustration of the unevenness of our advance of the past two years. In striking contrast, manufacturing practically regained the position it occupied in 1930, with the newsprint, export lumber and textile branches overshadowing other major units, although the first two mentioned were able to continue their large-scale operations partly through willingness to forego profits.

Canadian Agriculture. An increase of about 10 per cent. in the purchasing power of the farming community was, however, the most important event in 1934. We have witnessed a sweeping development of national resources other than farm land during the past decade, but agriculture remains the cornerstone of our economic structure and the changes in its status have more far-reaching effects than those in any other primary industry.

This betterment in agriculture is all the more noteworthy in view of the severe winter-killing, soil drifting, drought, late summer frost and heavy rains in part of the harvest season, which characterized the year. Unfortunately, the improvement did not restore agriculture to a normal level, nor was it evenly spread, for many farmers, particularly in the West, whose land was drought-stricken in former years suffered a similar misfortune in 1934, while those who harvested good crops and whose produce met a favourable market were in the best circumstances since 1930.

Foreign Trade. For the second year in succession Canadian external trade expanded at a more rapid pace than world trade, notwithstanding a weakening tendency in international markets a few months ago. This statement is based not so much upon the value of world trade, but upon the available data relating to volume, from which it appears that the rate of increase in Canadian exports was nearly, if not quite, double that in world exports. This remarkable record was due largely to expanding exports of wood and mineral products, the latter alone accounting for about one-seventh of the value of our entire export trade and having the most counter-balancing effect on the declining trend of grain shipments. The value of our external trade for the eleven months ending November was $592,000,000 in exports, or about $110,000,000 higher than in the corresponding period of 1933, and $474,000,000 in imports, or about $109,000,000 greater.

Canada's Mining Record. Mining and metallurgy have been sources of great and increasing national strength. The customary official estimate of the value of total mineral production for 1934,

$278,000,000, is impressive in itself, but I should like to quote a few facts which furnish a more adequate view of the magnitude of mining and its associated form of activity, metallurgy, and the imposing places they now occupy in our national life. Over ten thousand mines, quarries, petroleum wells, mills, smelters, refineries, etc., capitalized at about 800 million dollars, are now in operation with a labour force, apart from that engaged in the development of new properties, of more than sixty thousand people, drawing at least 70 million dollars yearly in wages and salaries.

There is another phase of mining to which I direct your attention. While we are all gratified by the splendid record of gold mining in Canada, it is obvious that this particular industry has expanded and found a large market partly through such fortuitous circumstances as governmental revaluation of currency and hoarding of gold in certain countries. But our producers of non-ferrous base metals (copper, lead, zinc and nickel) are dependent principally on the foreign market, where they have faced not only severe competition from many other countries, but also a demand which declined sharply in the 1929-32 period and has not increased markedly in the last two years. Yet production of Canadian copper, lead, and zinc was comparatively stable during the worst years of depression and, as you probably know, rose in 1933 and 1934. It is therefore of considerable interest to find that Canada now furnishes between 15 and 20 per cent. of world exports of these metals.

Unemployment and World Trade. The dark side of our economic picture is the unemployment that remains after two years of almost uninterrupted business improvement. A most authoritative statement on the causes of this unfortunate condition and of advice as to the remedy for it has been made by the Director of the International Labour Organization, Geneva, than whom there is none so genuinely interested in the welfare of labour. He says: "The channels of international intercourse have been blocked in every direction by fresh barrages constructed of tariffs, quotas or restrictions on dealings in exchange. . . Practically all the measures [for recovery] so far taken have been national measures. Whatever degree of success they may have achieved, the ultimate question remains whether these national units, however satisfactorily and efficiently reorganized to ensure the best internal production and distribution f their national wealth, can avoid being severally and collectively impoverished unless they can work out some comprehensive method of restoring the general economic life of the world from which they have all derived a large part of their past riches." In these wise observations it is clearly suggested that if production and trade could be freed from the interference of recent years, people now idle might have full opportunity to exercise their talents, mechanical and mental.

Branches Outside Canada. Of the various countries in which our foreign branches are located, Newfoundland probably furnishes

the most striking example of achievement and progress during the year, and the results so far have amply demonstrated the wisdom and the benefits involved in the reversion of our neighbour from Dominion to Colonial status, which took place on 19th February, 1934.

The prospect of some settlement of Cuban affairs is now encouraging after years of political unrest and economic disturbance. The trade treaty with the United States, giving Cuban sugar a preferred position and a larger market has directly improved the position of the majority of Cuban people and promises to continue to exert a beneficial influence over the whole island.

Our British West Indian branches—Port of Spain, Trinidad, Bridgetown, Barbados, and Kingston, Jamaica—report stable business conditions. The outlook for tourist trade is encouraging in view of the improved prospect for business in the United States.

Canada's Inherent Strength. We have in the business record of the past two years a striking proof of the inherent strength of Canada, which has enabled her to survive periods of economic stress and to alter the trend of a steadily deepening depression to one of recovery. One has to be a confirmed pessimist indeed who, knowing our national heritage and character, doubts our ability to solve our remaining problems, so that the various commodity prices may be brought into a proper relationship with one another; so that every group of producers, and particularly our farmers, will enjoy adequate returns; so that our burden of debt will become more tolerable; and so that labour will find full employment. I do not believe that banks can or should attempt to control the many economic activities of the public, or that monetary policies are the sole conditioning factors in a recovery programme, but I renew this Bank's pledge earnestly and heartily to co-operate in every effort designed to promote the welfare and prosperity of the people of Canada.

Sun Life Assurance Company of Canada

DIRECTORS' REPORT

FOR THE YEAR 1934*

Your Directors present for your approval the Company's sixty-fourth Annual Report.

New policies paid for during the year numbered 78,652 for a net amount of $236,215,901.00, of which $11,366,205.00 was in respect of policies on the group plan. The total exceeds the corresponding figure of the previous year by $19,648,459.13. The increase, having been derived generally from the various countries in which the Company operates, indicates the world-wide scope of business improvement.

Assurances in force at December 31st amounted to $2,748,725,403.00, of which $38,065,295.00 was reassured. This represents a reduction of only $21,728,468.00, which, making allowance for the natural terminations by death and maturity, is evidence of a high rate of persistency.

Policies in force number 884,340 and in addition 224,243 certificates of assurance are held by employees of firms under the group plan.

The widespread difficulty of the public in finding safe and attractive investments is reflected in a greatly increased demand upon the life assurance companies for plans of assurance in which the investment feature predominates, and for all forms of annuities.

The sum of $17,766,450.54 was received in respect of annuity contracts during the year, an increase of $4,832,887.60. Annuity contracts in force number 27,291, under which the annual payments to annuitants amount to $10,628,325.20. In addition group pension policies now in force, maintained by firms and their employees in co-operation, provide for pensions, payable on retirement, to 17,944 persons, for an aggregate amount of $6,299,522.96.

The total income for the year from all sources was $159,251,028.50, an increase over 1933 of $7,015,206.94. The total disbursements were $115,661,302.10, a decrease of $11,844,499.07.

The assets now stand at $665,378,716.34, an increase for the year of $41,232,681.14. The valuation of the bonds and stocks has been made in accordance with the basis authorized by the Insurance Department of the Dominion of Canada, and in conformity with the bases authorized by the Departments of Insurance of the various

*NOTE.—Annual Meeting, Feb. 12, 1935. Preceding Annual Reports may be consulted in 1911—1933 Volumes of *The Canadian Annual Review;* a History of the Sun Life will be found in *The Review, 1910* (Supplement).

Provinces of Canada, and the National Convention of Insurance Commissioners of the United States.

Payments to policyholders and beneficiaries during the year amounted to $88,160,206.46, bringing the total so paid since organization to $888,330,239.97.

Dividends and policy proceeds left on deposit with the Company at interest now amount to $40,201,894.97, an increase of $5,249,032.15.

The demand for policy loans showed further diminution during the year, and may now be regarded as normal. The total new loans for the year were but 71.4 per cent. of the amount advanced in 1933, while cash received in repayment or reduction of loans exceeded payments made in the previous year by 31 per cent. This is further and impressive evidence of improved business conditions.

The rate of mortality among policyholders showed substantial improvement over the favourable rate of the previous year, death claims amounting to but 56.3 per cent. of the amount provided for that purpose.

The continued downward trend of interest rates is reflected in a fractionally lower rate realized by the Company during the year on its mean invested assets. The actual revenue derived from investments, however, showed an increase of $528,408.82, and in addition a profit of $1,692,094.66 was realized from the redemption or sale of ledger assets.

Continued efforts towards economies resulted in a further reduction in the cost of management and administration, the total expenses being $1,037,351.68 lower than the corresponding figure for the previous year. The percentage of expenses to total premium income showed further reduction.

Policy liabilities have been valued by the full net level premium method, a standard more exacting than is required under the provisions of the Dominion Insurance Act.

The surplus earned during the year amounted to $21,281,235.11, of which $13,219,504.28 has been paid or allotted in dividends to holders of participating policies. The sum of $8,062,664.45 has been applied to further writing down securities and increasing reserves. No payment of dividends to shareholders, or allotment of surplus to shareholders' account, has been made; this conforms with the decision to defer consideration of these matters until business recovery is more fully established.

The reserve for depreciation in mortgages and real estate is $5,012,619.25.

The paid-up capital and balance at the credit of shareholders' account total $3,299,728.09.

The surplus over all liabilities and capital stock stands at $5,950,818.37.

The Board of Directors suffered the loss by death of two of its members during the year. Mr. J. Redpath Dougall, who had served

as a shareholders' director since 1897, was an honoured figure in the public life of the Dominion, and his passing is deeply lamented. Mr. C. B. McNaught joined the Board in 1928 as a policyholders' director; his death, at a comparatively early age, is sincerely regretted.

The efficient and loyal services of officers, branch managers, field forces, and clerical staffs, are cordially acknowledged.

The Directors who retire by rotation are:

Representatives of the Shareholders: Mr. Robert Adair, Mr. E. W. Beatty, Mr. J. W. McConnell, Mr. Carl Riordon, Hon. Lorne C. Webster.

Representatives of the Policyholders: Mr. W. M. Birks, Mr. Ross H. McMaster, Mr. Arthur B. Purvis.

ARTHUR B. WOOD,
President and Managing Director.

DIRECTORS AND OFFICERS

(As at Feb. 12, 1935)

ARTHUR B. WOOD, F.I.A., F.A.S., President and Managing Director
E. A. MACNUTT, Vice-President and Treasurer

ROBERT ADAIR
E. W. BEATTY
W. M. BIRKS
HON. RAOUL DANDURAND
SIR HERBERT S. HOLT
T. B. MACAULAY
Chairman Emeritus
J. W. McCONNELL
ROSS H. McMASTER
ARTHUR B. PURVIS
CARL RIORDON
JOHN W. ROSS
HON. L. A. TASCHEREAU
HON. LORNE C. WEBSTER

C. S. V. BRANCH, Second Vice-President
G. W. BOURKE, F.I.A., F.A.S., Actuary
H. WARREN K. HALE, Secretary
J. J. COOPER, A.I.A., F.A.S., Comptroller

Associate Actuaries:
J. B. MABON, F.I.A., F.A.S.
C. D. RUTHERFORD, F.I.A., F.A.S.

Associate Treasurer:
H. P. THORNHILL

Assistant Actuaries:
A. M. CAMPBELL, A.I.A., F.A.S.,
F. J. CUNNINGHAM, F.A.S.
A. A. TOUSAW, A.A.S.

Assistant Secretaries:
E. E. DUCKWORTH
E. L. EARL
D. L. MACAULAY

Assistant Treasurers:
J. W. BROWN
G. R. MACKAY

Assistant Comptrollers:
J. A. CLAGUE, C.A.
R. A. TAYLOR

Superintendents of Agencies:
J. S. IRELAND
F. D. MACORQUODALE
W. S. PENNY
H. M. MOORE
J. W. SIMPSON
B. C. THOMPSON

Supervisors:
GEO. H. HARRIS, Field Service Bureau
C. E. REID, Group Department

Assistant Superintendents of Agencies:
G. T. BRYSON
R. C. GRANT
V. B. HARRIS
C. H. HEYL
M. MACAULAY
J. A. McALLISTER

J. A. EWING, K.C., Legal Adviser

C. C. BIRCHARD, M.D., M.R.C.P. (L), F.R.C.P. (C), Chief Medical Officer

Assistant Medical Officers:
J. KEITH GORDON, M.D., C.M.
ARTHUR W. YOUNG, M.D., C.M.
W. F. HAMILTON, M.D., C.M., Consulting Medical Referee

H. O. LEACH, General Manager, British Department
I. A. MILLER, A.I.A., F.A.S., Resident Actuary, British Department

A NATIONAL BUSINESS ORGANIZATION

CANADIAN MANUFACTURERS' ASSOCIATION*

PROCEEDINGS OF

THE ANNUAL GENERAL MEETING OF 1934†

Address by the President, Major L. L. Anthes

A gradual and continuous revival in most departments of economic activity has been evident since we met at this time last year. This is a matter for profound gratitude and relief. It is significant that this steady and marked recovery has been and is taking place in the principal countries of the world, in spite of differences in race, ways of doing things, standards and forms of living, methods of production, forms of government, political parties and economic theories and plans. It seems reasonable to assume, therefore, that the causes underlying recovery are fundamental and universal although they may be difficult to isolate and describe. Possibly the return of prosperity is as mysterious as the return of spring and the cause and progress of economic recovery elude the power of exact discovery and definition. We have been told that no return to normal was possible except through international agreements and effort, policed by centralized world authority, but we have been and are now witnessing the recuperation of the principal countries of the world under their own systems and efforts. May we not expect that, as each nation puts its own house in order, it will stabilize its own finances, increase its national surplus, and then will be able to buy more from other countries with the result that, through the cumulation of individual national programmes, further impetus will be given to international exchange of products, shipping and finance?

I will not attempt to repeat the voluminous facts and figures compiled by the official statistical organizations of the principal countries, as you are, doubtless, familiar with the most important of them. Briefly, they show that the key countries in recovery are the United Kingdom, France and Germany in Europe, the United States and Canada in North America, Argentina and Brazil in South America, Japan and India in Asia, the Union of South Africa in Africa, and Australia and New Zealand in Australasia.

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*NOTE.—For Annual Reports and Addresses of years 1922-1933 see Supplement to *The Canadian Annual Review*, Vols. *1922-33*.

†NOTE.—Held in the City of Montreal, June 7 and 8, 1934.

It is a matter of pride and gratification to citizens of the British Empire to witness the visible demonstration of the fact that Great Britain has not only been leading Europe but also the whole world in the revival which, so far as Great Britain is concerned, began to appear almost two years ago. With the wisdom and experience gained from centuries of international financing, producing and trading, the people of Great Britain, by resolute and united efforts, initiated and are carrying out with success their plans to stabilize their currency, to reduce taxes, to live within their means, to rebuild on a great scale old houses and obsolete factories, to rationalize their industries, to provide additional employment, and, in general, to promote the welfare of her citizens. To-day, Great Britain has regained her place as the leading exporter of the world, and confidence, initiative and cheerfulness have returned to her people.

Promising Results. When, on the invitation of Canada, the representatives of British countries assembled in Ottawa in 1932, and signed eleven trade agreements, they knew that they were embarking on an experiment which might produce various consequences. After nearly two years, a very short time in the history of trade development, we can say, that the results of this courageous effort to help ourselves are, to say the least, promising.

Remember that this increase in Empire trade has been attained during a period of world wide disturbance, fluctuating exchanges, and the monetary and economic difficulties with which you are familiar. If these results could be accomplished under such conditions, may we not look forward with confidence to the possibilities of increasing and extending Empire trade, as the world's material affairs continue to improve? The events of the last few years have stimulated interest in the wealth and variety of products and in the facilities for trade inherent in the Empire, which includes one-fifth of the area, and one-fourth of the population of the world. We have been driven by adversity to develop the resources of the Empire and, as a result, we are beginning to realize, in a very practical way, what a great store-house of wealth and opportunity it really is.

That we are trading more with other British countries is indicated by the following percentages of Canada's imports and exports which are represented by our imports from and our exports to British countries:

Imports

Years Ending March	Percent. Canada's Total Imports From Other British Countries	Percent. Canada's Total Imports From United Kingdom
1932	25.6	18.4
1933	29.6	21.3
1934	32.4	24.2

Exports

Years Ending March	Percent. Canada's Total Exports To Other British Countries	Percent. Canada's Total Exports To United Kingdom
1932	38.	30.2
1933	46.9	38.9
1934	48.	39.3

These substantial increases give encouragement in regard to progress made to date and inspire hope for further development in the future.

Possibly we do not appreciate the extent to which we have benefited from the British Empire trade agreements. To my mind it is one of the greatest factors in our progressive economic recovery. The possibilities, if they can be maintained, will be of inestimable value to the Canadian people. When one realizes the potentialities of the United Kingdom alone as a market for foodstuffs, with the advantage of free entry, it challenges us to a diligent study for the benefit of our rural communities.

Improvement in U. S. We have been very glad indeed to see the improvement in the United States of America. The ten million people living in Canada must always be vitally affected by the actions and conditions of the one hundred and twenty million people living in the United States. Our economic life is interwoven with theirs in a hundred ways. We have watched, with interest, their recent bold and original experiments in finance, trade and industry. We have wished them success from the beginning, from interest, partly in their welfare, but also in our own. To what extent their recovery, to date, is due to their experiments, and to what extent it is due to the influence of general world recovery, it would be difficult, if not impossible, to determine. So far as can be judged from statistics, information and expressions of personal opinion, it seems that Canada has experienced as great a degree of recovery as has the United States, perhaps even a greater degree. This does not necessarily imply that our methods would have suited them, nor that their methods would have suited us. We are content to express gratitude and relief that both countries, in their own ways, are climbing out of the pit and are on the road to better times.

It is heartening to Canadians generally that there has been a gradual improvement in business conditions throughout our country, and, furthermore, that this improvement has not been due to artificial stimulation or adjustment but to trade policies and a gradual return of confidence. It is unhappily true that certain parts of the Dominion have suffered more intensely than others, particularly the Prairie Provinces, due to a shrinkage in the world's markets for wheat, a long siege of depressed prices and four years of drought and other uncontrollable factors.

The affairs of Canada, as you are well aware, have made steady and substantial progress since a year ago. Wherever one goes and whoever one meets, one hears good news. The mines are prospering even more than last year; the production of forest products and their export have increased; the fisheries have been more active; the prices of many agricultural products have risen; the factories are making more goods; more people are employed; the transportation companies are carrying more freight; the merchants have larger sales; the financial institutions report better monetary conditions; and, in brief, the mental outlook of the great majority of people has definitely changed for the better, and the whole tone of business and industry is much more cheerful as the country's progress continues and accelerates.

What Statistics Show. Statistics are now beginning to have enough background to permit fair comparisions. The weighted index of the physical volume of business, based on the monthly average for 1926, which is taken as 100—compiled by the Dominion Bureau of Statistics, has risen during the period March, 1933, to March, 1934, inclusive, from 68.4 to 93.1; that of industrial production from 62.5 to 92; and that of manufacturing from 62.7 to 88.8.

Permit me to quote from a dispatch from Geneva, Switzerland, summarizing a report issued by the League of Nations, published in Canadian papers on May 28th. Referring to the increase in industrial activity in the first quarter of 1934, as compared with the first quarter of 1933, it says:

"Canada's increase was 40 per cent. over the same period last year.

"The United States increase was reported as 30 per cent. over the first quarter of 1933.

"Other countries showed the following increases:

"Poland and Germany, 25 per cent.; Sweden, 18 per cent.

"Japan, 11 per cent.; Norway, six per cent.; France, three per cent.

"With the exception of France, unemployment was reported decreased in all industrial countries."

Capital Goods Backward. Progress to date, so far as industry is concerned, has been more conspicuous in lines of consumable goods than in capital or durable goods. For example, industries which produce articles that are quickly used up, have recovered to a greater degree than industries producing building materials and machinery. More production by the capital or durable goods industries is very necessary to provide employment and to restore stability and balance to the country's economic activities and relations. When this occurs in volume, most of our material problems will be solved. Among the industries which have reached or passed the general level of 1926 are the following—gold shipments, copper exports, mineral

production, tobacco, rubber imports, textiles, forestry production, newsprint, petroleum imports, electric power and coke production. Among those that are still below, and in many cases considerably below, the average of 1926 are the following—production of iron and steel, pig iron, automobiles and sugar, exports of asbestos, cheese, wood pulp, planks, boards and shingles, construction and building, and car loadings.

The Rise in Prices. One of the most encouraging features of the past year has been the rise in prices. This is described as follows in the Monthly Review of Business Statistics, April, 1934, published by the Dominion Bureau of Statistics, Ottawa.

"The official index of 567 commodities averaged 71.6 in the first quarter compared with 64.0 in the same period of last year, the gain being 12 per cent. The advance in raw materials was more than twenty per cent. in the same comparison, while the gain in Canadian farm products was about 29 per cent. The more rapid gain in these groups indicates that a desirable readjustment in prices has been in progress during the last twelve months."

This rise in prices has been most helpful and we hope that it will continue within reasonable limits. It is realized that the cure for our economic ills is not solely the medicine of high prices, because we all remember that prices were very high in 1920 and we had troubles then as well as now. Moderate prices, neither too low for the producer nor too high for the consumer, constitute an ideal condition, which is easy to imagine but difficult to attain. Nevertheless, it is quite apparent that prices are still too low, especially those for natural products. As farmers, producers of minerals, lumber and fish get prices which will repay them for their efforts and leave them some surplus, their ability to buy manufactured goods will increase proportionately. Conversely, as more goods are demanded, more people will be employed in factories at better wages, and they, in turn, will consume more farm products. It is estimated that approximately eighty per cent. of all Canadian farm products is used or consumed within the boundaries of this country and that approximately the same percentage of manufactured goods is sold in Canada. Consequently, it is apparent that the rural and urban populations of Canada are two complementary parts, which sustain and assist one another, and rise or fall together. It is, therefore, with great satisfaction that we note the material gain of 29 per cent. in the prices of farm products, reported by the Dominion Bureau of Statistics. We hope this upward trend will be maintained, not only in regard to farm products but also generally.

World Conditions. There are two time-worn axioms with which we are all familiar, viz. "The old order of things changeth" and "None is so blind as he who will not see." In adopting these two "saws" as a keynote to what follows, I do so with the sole object of

trying to demonstrate my own viewpoint on present world conditions in relation to our own country, and the necessity to be ever on the alert.

The old Malthusian law visualized an ultimate starving world through increase of population and lack of supplies. To-day, it is not a question of how to produce more foodstuff, but how to distribute what we have already produced. A few years ago we produced merrily with apparent unlimited market possibilities; now the brakes are being applied to the producer, not so much because consumer capacity has been reached, but because the development of intense nationalism has created more producers, and the channels of distribution have become badly tangled. True, there have been factors developing during the last thirty years which have had an effect on our agricultural communities.

With the passing of the horse from our highways, gasoline has taken the place of fodder. Thirty years ago the average American consumed 224 lbs. of wheat; today he consumes only 175. The widespread fear of corpulency has had its effect on the consumption of white bread. However, these have contributed only in a small degree to the difficulties that now beset our Canadian farmers.

Interdependence. Our problem is how to enable those in our own country, who can consume more, to obtain their requirements, and then find ready markets for the exportable surplus. Some may ask "Is this a problem that concerns the manufacturer?" I contend that it is. When it is realized that 80 per cent. of the total agricultural production of the land is consumed within our own borders, and that industrial expansion in Canada has contributed largely to the building up of this consumptive capacity, do you not think the industrialist should take more than a passing interest in the primary producer? Their interdependence is so great that a calamity cannot visit one without the other being sooner or later adversely affected.

Happily during the passing depression our industries for the most part have been maintained intact in spite of their trials and hardships. Had this not been so, to-day we would be facing disaster instead of recovery.

We cannot presume to tell the farmer how to farm or he might ask us to "swap" occupations, and it is a question which would make the worse fist of it. But we can show a healthy interest in his welfare, for his success and happiness will create dividends for industry. The industrialist to-day shoulders a heavy responsibility, for not only is he contributary to the activity of the primary producer, but as a large employer of labour many are dependent upon his policies. To be fair and equitable is not necessarily a virtue but rather a duty.

Followed Wisest Course. The stress and strain of the last four years have left their impressions on us. Conditions that we thought impossible in 1929 are a fact to-day; methods that we believed in-

fallible are fast falling into the discard. Truly, "the old order of things changeth!"

The fact that Canada has been and is making substantial recovery indicates to me that fundamentally we have pursued the wisest course, at the same time maintaining our national integrity. A debtor nation cannot, in the world set-up to-day, attempt revolutionary measures on a national scale without jeopardizing its credit standing. If we should choose the course of repudiation we should be throwing overboard those principles and ideals which have made the British Empire what it is.

The Problem of Debt. Prices, of course, have an important bearing on debts. The report of the Royal Commission on Railways and Transportation in Canada states that the debts of Canada were as follows, in 1932: Dominion, net debt, $2,375,846,000; bonds guaranteed by Dominion, $1,000,522,000; direct liabilities of provinces, $1,363,382,000; indirect liabilities of provinces, $215,977,000; liabilities of municipalities, $1,600,000,000; corporations, $2,097,000,000; total, $8,652,727,000. As the Minister of Finance stated in his budget speech that the Dominion net debt on March 31st, 1934, was estimated at $2,731,696,000 and as provincial and municipal debts have increased since 1932, the total indebtedness of Canada, Dominion, provincial, municipal, guaranteed and corporation is approximately nine billion dollars. The problem of paying the interest on these debts, let alone the principal, was a staggering one with prices at the levels of a year ago. Though still difficult, and perplexing, it becomes a little more hopeful of solution with even the moderate rise in prices which has occurred. With a substantial rise in prices, continuing over a period of years, with a corresponding increase in the annual value of the national production, with the lower interest rates which have come into effect, with further decreases as debts mature and are renewed at lower rates, and with strict economy in governmental expenditures, our country should be able to meet its financial obligations.

In spite of the gratifying change for the better, which has occurred during the past year or two, there are still many problems, international and domestic, that remain to be solved or partially solved. There are still great difficulties surrounding export trade.

Economic Nationalism. We are living in a period when economic nationalism has been carried to extreme lengths. The majority of countries have been pursuing a policy of making as many manufactured goods and of growing as many farm products as possible for themselves, and of trading as little as possible with other countries. Their individual policies may be right or wrong, according to their own interests. We haven't time to argue that, and it would probably be quite futile to do so. The practical fact remains that countries for some years have definitely followed

this policy, and up to the present, they do not show much evidence of forsaking it. Therefore, we have to deal with conditions as they are, if we are going to continue trading. The common manifestations of economic nationalism are the restriction of imports by prohibitions, blocking of exchange. quotas, the imposition of higher tariffs and more exclusive regulations governing importations, and other expedients. Tariffs, by themselves, are ineffective to secure their objects under certain conditions. For example, the deliberate devaluation of currency by a competing foreign country can render the highest tariff wall and the most severe import regulations of another country useless to stop the inward flow of foreign goods, and extraordinary measures become immediately necessary. Some countries have sought to increase their trade by subsidizing exports, either financially or by special freight rates. Exports, aided in this way, can climb over almost any tariff walls. Other countries, by lowered wages, long hours and machine production, try to reduce their costs in order to undersell competitors. Here, again, tariff walls may be of little use.

These developments explain why the trend during the past few years has been towards reciprocal trade agreements, establishing in many cases definite quotas of goods that may be interchanged.

Safeguard Our Interests. In these circumstances, it is quite futile for Canadians to imagine that they can inaugurate and put in effect any plan which runs very much in opposition to world tariff and economic policies. In other words, if other industrial countries, most of them much more powerful than Canada, protect themselves and then make trade treaties, to safeguard their national interests, we must do the same. On the other hand, if any country makes friendly overtures, and offers to exchange her products for ours, we should be ready to examine such suggestions and, if they possess advantages which can be accepted without injury to Canada, we should be ready and willing to make a trade agreement, and to take from such country certain of her products in exchange for certain of ours. With timber, minerals, fish, farm products, and manufactured goods for sale, it is our interest to promote and to extend export trade, and if the world is doing this by making specific treaties, we shall have to continue to make trade treaties and agreements, and we shall have to safeguard our own interests in the negotiation and carrying out of such treaties and agreements. That we are following the proper and practical course is indicated by the latest Canadian export and import figures, which show a most encouraging gain in exports and a favourable balance of trade:—

	Year Ending March, 1933	Year Ending March, 1934
Exports	$480,713,797	$585,680,469
Imports	406,383,744	433,776,289
Favourable balance of trade	$ 74,330,053	$151,904,180

Export trade is like a shy maiden and calls for intensive cultivation. Quality and price must be right and the supply must be maintained in spite of price fluctuations. Furthermore certain local markets in the same country have their peculiar likes and dislikes and such details as packages and wrappings are no small factors. Export trade is a science demanding exhaustive research and study, and different markets have their own individualities which must be catered to.

From the Pacific coast one naturally looks towards Asia and speculates upon the vast possibilities of trade with half of the world's population. It is not an idle dream, for the world progresses, and the desire for a higher standard of living in time becomes an urge. The small European colonies that dot that great continent cannot help but develop a desire which will eventually become a demand. Altogether Canada seems to be favoured with unusual opportunities in the export world, but opportunities which demand earnest application and persistence to be realized.

Transportation. Transportation, by rail, water, motor and air, is no new problem in Canada, because transportation questions go back to the beginning of Canadian history, and in some way or other we have always managed to deal more or less successfully with various phases of them. Two questions are in our minds. How can we reduce to manageable proportions the present intolerable overhead which is seriously crippling and retarding national development? The second question which we, as manufacturers, are intensely interested in, is the trend of the material and technical development of transportation. As makers of all kinds of equipment we are wondering what will be the new types of products. Are the trains of the future to be like those which are being tried in the United States and Great Britain, trains built of light weight materials, streamlined and travelling at over one hundred miles an hour and capable of much higher speed? Are we to have fast motor lorries operating on highways restricted to freight traffic? What will be the progress of commercial air transport within the next ten years? We are concerned in these possibilities because, as manufacturers, we may have to make the necessary machines and materials and, as shippers, we may have to adapt our goods to new and improved transportation methods.

During last year the number of travellers and tourists who visited Canada was almost equal to our entire population; all but ten thousand of them came from the United States and about nine-tenths of them came by motor. Government estimates indicate that the total expenditure by motorists from the United States in Canada last year was about seventy-seven million dollars, a substantial sum, but representing a very great decline from the similar expenditure of two hundred and fifteen million dollars in 1929. Compare these amounts with the total annual value of Canadian production in the

following departments; fisheries, thirty millions; cheese production, twelve millions; gold production, sixty millions; forest products, two hundred and six millions. These figures make us realize the value of tourist trade. Is everything possible and desirable being done to maintain and develop it?

Electrical Power. The use of electrical power is an indication of the trend of business and also of the development of a country. The curve of power output is increasing and has surpassed the maximum of the previous high record in 1929. This indicates a steady growth of capital expenditures for installations and equipment and also in the use of power by the public. It may be added that, as electric power installations have a great degree of permanency, this trend indicates a hopeful confidence in the economic future of Canada.

Governments and Governed. The relation of government to the individuals who are governed has always been a subject of profound interest and constitutes a large part of all histories. At present, this question has been concentrated largely into economic relations. How far shall governments control the activities, and especially the economic activities, of their peoples? What should governments do in relation to agriculture, industry, mining, transportation or banking? Most governments are doing something, while many have assumed a very large measure of control. There is no time to review or to discuss the well-known arguments for and against greater or less control and supervision. You will have an opportunity to do this during the course of this meeting. A government cannot say to individuals that they are entirely free, that they may do what they like, and that there will be no control. That would mean the end of all government. On the other hand, a government cannot do everything, because a government is only a group of men and, obviously, they have not the aptitude, energy, experience, money or time, to organize, regulate and discipline everything and everybody. Therefore, it seems fair to assume that the possible amount of practical co-operation of governments with business and industry lies somewhere in between these two extremes. Even when it is found, there cannot be a permanent or static relation because business and industry are constantly changing and any co-operation with government must change as business and industry change. The principal countries throughout the world are struggling with this problem. Some appear to have made progress. Others seem to have encountered many difficulties which have resulted in revolutions and various other kinds of social disturbances. Are we approaching it in terms of Canadian thought, experience and conditions? We have to discover, try and test Canadian methods of co-operation between Canadian governments and Canadian industry, and other departments of national activity, which will best suit this country. This will not be accomplished easily or quickly, as we have a thoroughly British dis-

trust of too much planning, too much system, too many rules and regulations, too many boards and commissioners, and too many officials. Are the great departments, agriculture, mining, fishing, lumbering, manufacturing, trading, transportation, finance and the professions, safer and better in the hands of those who are engaged in them, who have created them, and who are maintaining them with all the accumulated experience at their command, or should they be transferred wholly or partially to a few people, elected by popular vote, and the civil servants whom they control?

That is really the question lying behind all these proposals, discussions and questioning.

Are we going to retain the system under which, with modifications adapted to conditions, the British Empire, including Canada, grew, prospered and cherished freedom?

Our responsibility is the proper conduct of industry in our country and, by the proper conduct, I mean fair and equitable treatment for all, both large and small—ever bearing in mind the rights of the primary producer, the distributor, the employee and the consumer.

The task is by no means a simple one and may be the more difficult owing to existent legislation. But I believe the time has come when each individual industry should be able to marshal its best collective thought for the assurance of its future maintenance and stability. It should be self-disciplining and conducted along sound ethical lines. With such a set-up we can attack the problems that are already facing us and others that are inevitable.

Set Own House in Order. Is it not desirable and possible that we can set our own industrial houses in order, where they need it, and that those in other occupations can direct their own enterprises with reasonable and proper co-operation with those elected to govern the country and to frame and enforce her laws? Are we not entitled to ask those who have been finding so many faults in our industrial system during the past two or three years if they have considered the constructive side? Admitting that industrialists have made mistakes and will probably make many more, the fact remains that the gross annual production of Canadian factories grew from $221,000,000 in 1871 to $4,063,987,279 in 1929, and for the latest available year, 1931, was $2,698,461,862. During that period the intelligence and skill of Canadian factory workers succeeded in making practically every kind of article used in Canada, largely supplying domestic needs, and in addition exporting Canadian goods to over a hundred countries.

We are emerging from a depression of unprecedented severity with the national producing departments, agriculture, lumbering, fishing, mining, industry, practically intact physically. The systems are all here. The machinery is ready. Natural intelligence, practical training and instruction, scientific research, chemistry, vocational and

technical education have equipped a splendid army of workers for their tasks. Our national credit is high. Many of our difficulties lie behind. Many are still before us, but, with the advantages which are apparent and with our Canadian character and experience, we should be able to go forward with confidence in the future of our country.

In conclusion, I desire to express my thanks to those who have generously backed up my own small effort to bring to the people of Canada a realization that the worst was over and Canada was well on the way to recovery. Boards of trade, service clubs, building and construction groups as well as our own head office, divisions and branches, have given wholehearted co-operation from coast to coast. The daily, the technical and the financial press have been more than generous, and as an old newspaper man I am inspired with a sense of pride as well as deep-hearted appreciation.

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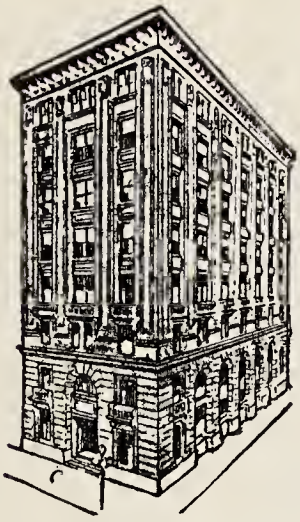

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